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NEWS SUMMARY

GENERAL

Sakharov betrayed secrets—Moscow

As Western protests grew over the Soviet Union's banishment of human rights leader Andrei Sakharov, Moscow ferociously defended its action and accused the Nobel prize-winning physicist of betraying nuclear secrets to the West.

France, West Germany, Italy and Israel added their voices to the protests. M. Jacques Chaban-Delmast, President of the French National Assembly, cut short a Moscow visit.

In the Commons politicians of all parties joined in the criticism and 50 Labour MPs signed a motion deploring the treatment of Dr. Sakharov. Liberal leader David Steel said the Soviet action had convinced him that the Moscow Olympics should be boycotted. Back and Pages 2 and 4; Editorial Comment, Page 22

Franco-German tank project

West German and French companies are likely to receive formal approval from their governments by the middle of the year to develop a joint battle tank for the 1990s, according to one of the German enterprises involved — Krauss-Maffei of Munich.

It said it was establishing on a 50-50 basis with Mak Maschinenbau of Kiel an enterprise called MKS (Mak-Krauss-Maffei Sondertechnik) to be the German said of the partnership. The French side would be the state concern GIAT. Back Page

Callaghan defeat

James Callaghan's hopes of weakening Left-wing domination of the inquiry into the Labour Party were finally dashed when the party's national executive voted 12-11 to retain the inquiry commission's present membership. Back Page

Factory blast

A man was killed and his two teenage sons badly hurt by an explosion at the British Aerospace factory at Hatfield, Herts. The three—members of a family contracting company—were working on the roof of the building when a gas cylinder exploded.

Meter charge

A man who fitted a device to his electricity meter which reversed its readings was fined £500 by Stockport magistrates. The court was told that a big police hunt was on for the manufacturer of the so-called "black box."

Nurse freed

British nurse Rita Nightingale left a bangkok prison, her 20-year jail sentence on drug-smuggling charges cut short by a grant of clemency from Thailand's King Bhumibol Abdulyadeh. She hopes to begin the flight back to her Blackburn home today.

Chunnel plans

The Government has not yet made up its mind about the Channel tunnel project but hoped to make a statement within four to six weeks, Transport Minister Norman Fowler told the Commons.

Briefly . . .

Gun battle between Left-wing demonstrators and security forces in San Salvador left at least 11 dead.

Sardinian police arrested 16 shepherds and shopkeepers and found nearly £500,000 in used lira notes in raids aimed at tracking down kidnappers.

Thirteen people were injured and 18 houses damaged by an explosion which wrecked a bungalow in Arnold, Nottingham. Gas board officials are investigating.

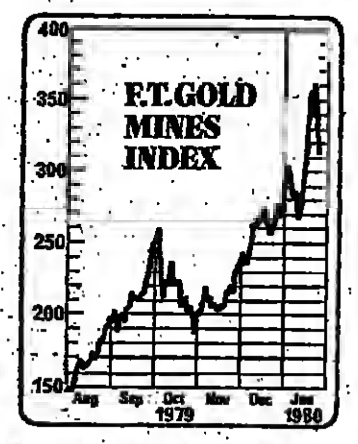
BUSINESS

$ loses ground; Golds off 7

● DOLLAR lost ground in moderate trading, falling to DM 1.7295 (DM 1.7330) and its trade-weighted index fell to 84.6 (84.9). STERLING steadied after an early loss, closing 35 points higher at $2.2790. Its index was down to 71.8 (72.0).

● GOLD rose $10 in London to close at $700.

● EQUITIES trading was spasmodic, and the FT 30-share index closed 1.0 up at 450.8.



South African GOLDS followed the fluctuations in bullion, and the Gold Mines index closed 7.0 off at 311.6.

● GILTS edged forward on expectations that the new tap issue would be exhausted, and the Government Securities Index closed 0.18 up at 68.93.

● WALL STREET was 7.94 up 874.15 just before the close.

● CONGRESS is debating how to spend the $227.3bn (£99.74bn) that the newly agreed windfall profits tax on oil will raise in the U.S. in the next 10 years. Page 4

● GOVERNMENT is planning no further cuts in regional aid to industry, despite the Treasury campaign to cut public spending, Industry Secretary Sir Keith Joseph said. Back Page

● SAVERS are still not being tempted by the building societies' record deposit rates, according to the Abbey National, the UK's second largest society. Page 6

● DISCOVERY of what could be a further copper uranium orebody boostad the value of British Petroleum's holding in the Australian mining industry. Page 26

● IMPROVED productivity at Britain's coal mines means they are on target for 108m tonnes of deep-mined output this financial year, NCB chairman Sir Derek Ezra said. The NCB has approved a £112m investment in Barnsley. Page 7

● TONNAGE of new ships on order at the world's shipyards is still rising, although the number of ships ordered has begun to fall. Back Page

● JAPAN'S computer industry has strengthened its base in Europe following a distribution deal with Olivetti, the Italian electronics and office equipment group. Back Page; Hitachi to expand in Germany, Page 4

● BRITISH AIRWAYS 11,000 engineering and maintenance staff have accepted a 17 per cent pay deal, which is likely to set tha pace for the rest of the airline's 33,000 ground staff. Page 8

COMPANIES

● HENLYS, the motor car dealer, reported pre-tax profits for the year down by £1.39m to £4.31m on turnover of £204.4m (£191.1m). Page 24

● UNION DISCOUNT of London, the finance concern, reported profits for the year, net of tax and transfers, up from £1.8m to £2.08m. Page 24 and Lex, Back Page

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

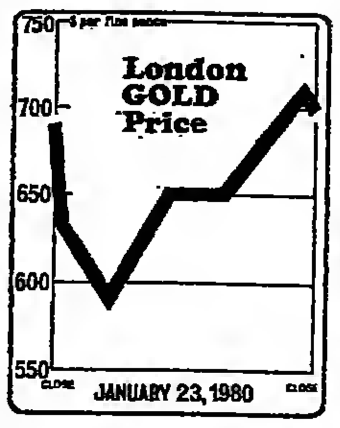
RISES		
Treas. 14pc 98-01	£102½	+ ½
Appleyard	74	+ 5
British Northrop	32	+ 7
CompAir	78	+ 7
Fisons	287	+ 5
Highland Distills.	145	+ 7
House of Fraser	141	+ 4
MFI	81	+ 3
Magnet & Southerns	163	+ 8
Sothebys	475	+ 30
Stocks (Joseph)	84	+ 7
Union Discount	390	+ 5
United Scientific	412	+ 10
Siebens (UK)	576	+ 12

FALLS		
Cope Sportswear	30	— 4
Denbyware	105	— 10
Extel	167	— 6
Foster Bros.	86	— 6
Gieves	105	— 5
Hickson and Welch	160	— 5
Ladbroka	142	— 3
Lloyds Bank	302	— 6
Metal Box	254	— 6
SEET	53	— 4
Standard Chart. Bk.	490	— 8
Zetters	57	— 3
Aran Energy	344	— 16
K. Lumpur Kepong	84	— 4
Coronation Syndct.	370	— 30
Deelkraal	202	— 39
Loraine	282	— 20
Messina	165	— 13
Mount Lyell	104	— 10
North Kalgurli	46	— 5
S. African Land	286	— 21
Swan Resources	46	— 11
Western Mining	212	— 10

Gold price swings bring turmoil to bullion markets

BY DAVID MARSH IN LONDON AND IAN HARGREAVES IN NEW YORK

The international bullion markets were in turmoil yesterday as the gold price swung up and down by more than $100 in one of the busiest day's trading on record.



Gold recovered to close at $700 an ounce in London, up $10 from Tuesday's close, after dropping as low as $590 at one point in the morning.

Volume of trading was so great that dealings were effectively suspended at most London bullion houses for about an hour at midday.

Silver, where speculative interest has been even greater than in gold recently, showed similar fluctuations. It closed in London at $37.50, only 10 cents higher than overnight, after swinging between $34 and $43 during tha day.

The gold price was marked down early in line with heavy selling in Hong Kong, and on Tuesday afternoon in New York. Some dealers predicted that after measurea to combat speculation on the U.S. silver futures market, the speculative bubble had finally burst.

The price was particularly depressed by early reports—later denied by the Panamanian Embassy in Washington—that the Shah of Iran would be extradited to Tehran, a move interpreted by the gold market as defusing Middle East tension.

But fresh buying drove gold higher as it became clear that the selling had been overdone. It reached an afternoon peak of $710 after a 90-minute afternoon fixing session in London, the second longest ever recorded, at which tha price was set at $690.

Reflecting the London bullion houses' difficulty in arriving at a price, the prices quoted during the fix swung between $673 and $745.

A hectic morning on the New York Gold Exchange saw the cash price rise by over $50 an ounce in early trading, before settling back to $690, a rise of $10.

Confused

Silver futures prices weakened somewhat in morning trading. January positions were down 75 cents an ounce at $33.25 and March and May positions fell back by $1 to $39.50 and $40.

With the confused conditions in gold and silver again having no effect on the foreign exchanges yesterday, there were no signs of action from national authorities to bring calm to the precious metals markets.

Following the U.S. statement last week that the U.S. Treasury would refrain from gold auctions for the moment, dealers have ruled out imminent sales from gold reserves by major countries.

Nonetheless, disquiet over possible moves into gold by oil-producing countries has probably been one of the main themes of international monetary meetings over the last fortnight.

Gold's gyrations were reflected in sharp movements in mining shares in London, which closed lower on the day. In line with the fall in the price from highs of over $850 on Monday, the FT gold mines index has dropped by 13 per cent in the last three days.

One reason for the gold market's extreme volatility has been

Continued on Back Page

The new speculators, Page 22. ● Commodities and Agriculture, Page 35. ● Lex, Back Page.

Afghan invasion softens U.S. line on Iran

BY JUREK MARTIN, U.S. EDITOR IN WASHINGTON

THE U.S. is now prepared, in the light of the "changed circumstances" brought on by the Soviet invasion of Afghanistan, to offer unspecified assistance to Iran if the diplomatic hostages held in Tehran are released.

The U.S. has also delayed by a matter of days implementation of economic sanctions against Iran.

Indications of a more conciliatory U.S. approach have been evident for some days. President Jimmy Carter alluded to this in a television interview on Sunday, while his written "State of the Union" message presented on Monday emphasised that the U.S. had no quarrel with the Iranian people, provided the hostages were freed.

Yesterday, Mr. Hodding Carter, the State Department spokesman, spelled out with great care what he said was not a new policy to Iran, nor even "that great a shift." It was a "different approach" brought on by "the reality of Afghanistan."

He said that it was "imperative to continue to send Iran the same message that it is impossible to have normal or friendly relations so long as our hostages are held."

Unless they were freed the U.S. would invoke sanctions and was "confident" that its allies would support this. Precise regulations governing U.S. sanctions were being drawn up.

It appears probable that the U.S. is prepared to wait for both the presidential elections in Iran tomorrow and the outcome of the gathering of Islamic nations in Islamabad this weekend before implementing sanctions.

But Mr. Hodding Carter said if Iran releases the hostages—now held captive for more than 80 days—the U.S. is "offering the possibility" of a beneficial relationship to meet the clear threat to Iran posed by the Soviet invasion of Afghanistan. — He said that it might turn out to be less important for the U.S. to retaliate aginst Iran than to try and support it agianst the Soviet threat.

Neither he, nor other officials, expressed particular optimism that the regime in Iran was coming over to the view that the greatest menace now comes from Moscow.

Air fare rises of 8-10% likely

BY BRIJ KHINDARIA IN GENEVA

THE WORLD'S major airlines have decided to increase passenger fares by an average of 8 to 10 per cent, and freight rates by 6 to 13 per cent from April 1.

Passenger fares on European flights will be raised by 4 to 5 per cent, it was decided at a conference of the International Air Transport Association in Geneva yesterday.

The increases are expected to be officially announced today, and are subject to approval by Governments.

Talks continued late last night to decide exact percentage increases for specific routes, as did negotiations on a formula suggested by the IATA secretariat under which operating cost increases of up to 3 per cent caused by fuel price rises would be automatically passed on to customers.

Fares in Europe will rise by less than the overall average percentage because of reluctance of European airlines to place greater burdens on customers.

The fare increases in local currency applied by airlines like Swissair and Lufthansa should be lower than 4-5 per cent.

This is because each airline is free to choose the rate at which it converts into its own local money the fares set by the conference in special IATA accounting units.

Switzerland and West Germany, stronger-currency countries, operate conversion rates giving smaller increases in actual fares.

Other lines like British Airways do not object to this practice because the Swiss franc and Deutsche Mark fares remain higher than those in other currencies. For instance, the Swiss franc fare from Geneva to London will remain nearly 25 per cent higher than the sterling fare from London to Geneva.

Transatlantic fares and freight rates will rise by more than 8 per cent on average. Exact increases on various routes are still being negotiated.

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Mixed response to new Gilts

By Peter Riddell, Economics Correspondent

THE TWO NEW gilt-edged stocks attracted mixed support at yesterday's tender but the longer-dated issue could be sold out this morning.

Dealers yesterday estimatad that up to about half of the £1bn longer-dated issue—12¾ per cent Treasury 2003-05—may have been sold on subscription yesterday, although there is likely to have been little demand for the short—£800m of 13½ per cent Exchequer 1983.

This follows gilt sales of nearly £1.5bn a fortnight ago and means that the Government has tied up most, if not all, of the funding it needs for the current financial year.

Further sales would seriously increase existing shortages of liquidity in the money market. The Bank of England might be forced to relieve the pressure which would otherwise push up very short-term interest rates.

Tenders on the new stocks had to be in by 10 am yesterday and the market was still uncertain then. However, gilt prices rose during the day with gains of up to £1 after normal trading hours at the longer end and rises of up to £½ in shorts.

At this level the new longer-dated stock looks distinctly attractive relative to existing issues and the shorter-dated stock is also slightly cheaper than the market.

Consequently, leading gilt-edged stock brokers were last night suggesting that if the market remains firm this morning, the long-dated stock could sell out immediately, especially as it will be in a £25 per cent partly paid form for three weeks. The remaining calls are in February and March.

A lot may depend on the pricing tactics adopted by the Government Broker this morning when dealings start. A problem for the market is that brokers are less sure than before about how much of the issue has been sold since there is now less incentive for stockbrokers to subscribe on behalf of clients at the tender since they no longer receive commission on such applications.

All applications on both new stocks were allotted in full at the minimum tender prices of £96.75 per cent on the short and £91.50 per cent on the long.

£ in New York

—	Jan 23	Previous
Spot	$2.2755-2775	$2.2745-2760
1 mth	0.88-0.83 dis	1.00-1.04 dis
3 mths	— dis	2.05-2.00 dis
12 mths	3.55-3.45 dis	4.00-3.80 dis

TUC to warn Ministers on job losses

BY CHRISTIAN TYLER, LABOUR EDITOR

THE TUC will tell senior Ministers that unless they take rapid action their policies will lead to intolerable job losses and irreparable damage to British industry.

Implicit in this message will be a warning that national industrial action, possibly even a general strike, could be mounted in order to force a change of policy—particularly towarda the steel industry.

Union leaders' anxiety about the possible repercussions of steel closures came into the open yesterday at a meeting of the TUC general council. Some said afterwards that the TUC would have to organisa a national stoppage, if only to retain its credibility, authority and control in a deteriorating climate.

When the TUC's intention to seek a meeting became known, Sir Geoffrey Howe, the Chancellor, contacted Mrs. Margaret Thatcher, who agreed that he should meet the TUC leaders when their formal request was received.

Sir Geoffrey, with Sir Keith Joseph, Industry Secretary, and Mr. James Prior, Employment Secretary, will meet a delegation led by Mr. Frank Chapple, of the Electricians, and including members of the TUC's nationalised industries and steel committees.

Unless Ministers show some sign of bending to the pressures now building up in the unions — notably in South Wales — the TUC will consider following Monday's one-day stoppage in Wales with action of a more serious kind.

That would probably involve steelworkers, miners and railwaymen but could include others like textile workers, who yesterday were said to be losing patience because of the lack of protection for the UK industry and the big labour shake-out of recent years. The action could be a one-day protest or longer.

Mr. Chapple, chairman of the nationalised industries committee, told the general council yesterday that there was a real possibility of protests escalating to a general strike.

One senior TUC council member said last night it should already be obvious to the Government that there was a danger of widespread retaliation by the unions.

"Unless someone begins to talk sensibly and the Government begins to realise what it is facing, we could easily drift into a general strike. That's the last thing that the general council wants. But if there's complete abdication by the Government, then the situation has all the ingredients.

Mr. Len Murray, TUC general secretary, was at pains yesterday not to speculate on the consequences of the Government's refusal to change course. He avoided giving any impression that the TUC was drawing up an ultimatum or deadline.

Railmen urged to stop movement of steel

BY JOHN ELLIOTT AND CHRISTIAN TYLER

THE National Union of Railwaymen yesterday instructed its members to stop the movement of all steel in Britain from next week, when steelworkers in the private companies are due to be called out in support of the strike in the State industry.

Meanwhile the national executive committees of the main steel unions meet today to confirm their decision to involve the private sector.

And yesterday Sir Keith Joseph, Industry Secretary, told a Commons Select Committee that the British Steel Corporation is losing about £10m a week in terms of cash flow as a result of the strike.

The union's move to involve the private sector might be averted if the Advisory, Conciliation and Arbitration Service decides to call the unions on for talks. ACAS officials were deciding last night whether their discussions with BSC management yesterday had opened any new avenues worth exploring with the unions.

Dr. David Grieves, BSC's managing director of personnel, and Mr. Peter Broxham, head of industrial relations, met Mr. James Mortimer, ACA chairman, and his senior conciliation officers.

An invitation to the unions to go to ACAS will mean the BSC has suggested a compromise sufficient in ACAS' view to break the deadlock and get negotiations going again. But there

Continued on Back Page
Strike effects, Page 8

Doubts on progress towards monetary fund for Europe

BY JOHN WYLES IN BRUSSELS

THE INCREASING importance which EEC Governments are attaching to the Community's monetary committee was marked formally yesterday by significant changes in the committee's membership.

Composed of senior representatives of the central banks and treasuries of the Nine, the committee has been instructed by heads of government to prepare a report on the working of the European monetary system and progress towards the creation of a European monetary fund.

The EEC is committed to the creation of the fund by March 1981, but the task raises such complex and politically sensitive issues that there is considerable scepticism whether the timetable can be kept.

Nevertheless, the EEC heads of Government summit in Dublin at the end of last November confirmed the target, and as a preliminary exercise the committee was due to discuss yesterday an options paper prepared by the European Commission.

Some of the scepticism about the likelihood of real progress this year towards a European Monetary Fund is due to a change in the committee's chairmanship from Mr. Jacques van Ypersele, the Belgian Prime Minister's chef de cabinet and an ardent supporter of greater monetary union, to M. Jean Yves Haberer, who is new to the committee and director of France's Treasury.

France's position over the powers which should be given to the proposed new fund is widely expected to be a "minimalist" one, falling short of approaches favoured by the likes of Mr. Van Ypersele.

Other new members of the committee are generally more senior than those they replace. Thus Herr Manfred Lahnstein, state secretary in West Germany's finance ministry and equivalent in rank to M. Haberer, joined yesterday, as did Sir Kenneth Couzens, second permanent secretary in the UK Treasury who replaces Mr. Nick Jordan Moss, a deputy secretary.

Other new representatives are Dr. L. Gleske, of the Bundesbank, who replaces Herr Karl Otto Poehl, the Bundesbank's new president, M. M. Theron of the Bank of France, Dr. F. Ruggiero, director general in the Italian Ministry of Finance, and Dr. L. Dini, director general of the Bank of Italy.

The commission's discussion document for yesterday's meeting is a 26-page tour d'horizon of options for developing the role of the ECU, the pillar of the European monetary system whose value is based on a basket of EEC currencies, means of developing the ECU's convertibility, and the liquidity and organisation structure of the European monetary fund.

The Commission suggests that the EEC's agreement in July 1978 to aim for the full utilisation of the ECU as a reserve asset and means of settlement implies the creation of a fund with extensive responsibilities for monetary matters which are now divided between central banks and Ministries of Finance.

This is the point of view supported by the "maximalists" who reject other options outlined by the Commission for an IMF-type regional fund or a European central bank with substantially fewer powers than their national equivalents.

UK's oil influence rising in W. Germany

By Jonathan Carr in Bonn

BRITAIN HAS greatly improved its position as an oil supplier to West Germany, giving the London government a potentially strong additional bargaining counter in its efforts to solve its problems with the European Community.

Last year Britain almost doubled its deliveries of crude, rising from seventh to fourth place as a supplier to the Federal Republic. Only Saudi Arabia, Libya and Nigeria delivered more, according to figures released by the Federal Office for Trade and Industry.

So far Britain has shown little desire to link its rising significance as an oil producer to its problems in Europe — notably over its contribution to the community budget and the related difficulties of the Common Agricultural Policy.

However, even last year the West Germans indicated that progress on a Common energy policy — in which British oil would play a key role — would at least create a climate in which the budget issue might more easily be solved.

Since then German concern had increased not only about the security of Middle East supplies, but about possible production restrictions by OPEC countries who find insufficient sensible investments for their surplus revenue.

WEST GERMAN OIL IMPORTS
(m tonnes)

	1979	1978
Saudia Arabia	17.9	14.6
Libya	17.3	14.6
Nigeria	14.4	10.4
Britain	11.8	6.4
Iran	11.5	17.3
Algeria	9.7	9.9
UAE	7.4	6.5
USSR	3.7	2.7
Norway	3.5	2.6
Kuwait	2.7	1.5
Iraq	2.2	2.9

Count Otto Lambsdorff, who toured the Gulf earlier this month, returned with the gloomy forecast that over the next decade or more the oil producers "will sell us exactly the quantity we need to survive, at the highest possible price which does not actually strangle us."

There is less German criticism than there was late last year of Britain's oil pricing policy—not least since revelations that a German company had bought British oil and sold it at a profit on the Rotterdam spot market.

Rather, there is keen interest in seeing what additional oil sharing arrangements Britain might be ready to make with its European partners in time of crisis, even beyond its existing commitments to the International Energy Agency (IEA).

Despite intensified efforts to save energy, West Germany's crude oil imports by quantity rose by nearly 12 per cent last year to 107m tonnes—the highest level since 1973. At the same time the average price per tonne rose by no less than 32 per cent to DM 279. The total oil import bill this year is expected to be about DM 65bn —a sum equivalent to more than 4 per cent of the German Gross National Product.

Questioned at a Press conference here last week the Lord Privy Seal, Sir Ian Gilmour, pointed out that some 60 per cent of Britain's oil exports already went to EEC countries. But he added Britain was always interested in discussing a common energy policy—particularly if, like the CAP, it were to mean a price level double that on the world market.

Hard-liners strengthen hold on the Kremlin

BY ANTHONY ROBINSON, EAST EUROPEAN CORRESPONDENT

Leading figures in the build-up to the Afghanistan decision (left to right): Mikhail Suslov, Dimitri Ustinov, Yuri Andropov and Andrei Gromyko.

DR. ANDREI SAKHAROV is the most illustrious Soviet citizen so far to suffer from the Afghanistan backlash. But, in political terms, the dismissal of Mr. Vladimir Kirillin as chairman of the State Committee for Science and Technology carries deeper significance as possible evidence that the long awaited succession struggle in the Kremlin is coming out into the open.

It implies that his political overlord in the top level 13-man politburo, Mr. Nikolai Kosygin, no longer has the power to defend his protegés or argue effectively about the economic and other implications of the post-Afghan situation.

Indeed, the eclipse of Mr. Kirillin implies that the collective leadership established 16 years ago when the "troika" of Brezhnev, Kosygin and Podgorny replaced Nikita Krushchev in a Kremlin coup is now over to all intents and purposes.

The troika survived intact until 1977, when Mr. Brezhnev, who soon emerged as the leading figure, stripped Mr. Nikolai Podgorny of the state presidency and other titles. Mr. Nikolai Kosygin, the dour economist who headed the Government and co-ordinated economic policy, has reportedly wanted to retire for years. But Mr. Brezhnev reportedly vetoed this because of fears that his departure would have disturbed the balance of forces within the politburo and sparked off a tough internal battle for the number two position.

One of the features of the Brezhnev style has been his determined refusal to allow the emergence of an heir apparent who could challenge him in the way that the troika challenged Mr. Krushchev.

But Mr. Kosygin, who is now 76, has not been seen in public since mid-October after suffering another bad heart attack. He apparently played little or no part in the decisions leading up to the Afghanistan invasion. President Brezhnev, on the other hand, is known to be in bad health and is believed incapable of concentrating whetted the appetite and the influence of the top policymakers and advisers in the effectively for more than a short period.

The absence or incapacity of the two leading men must inevitably have shifted the balance of power within the hitherto Brezhnev-dominated politburo. It must also have

But the invasion of Afghanistan, the truculent reaction to Western and Third World criticism and the subsequent crackdown on internal dissent and on relative liberals like Mr. Kirillin implies a victory for the hard-line supporters of military strength, ideological orthodoxy and political repression.

Given the nature of recent

The invasion of Afghanistan, the truculent reaction to Western and Third World criticism, and the crack-down on internal dissent and on relative liberals implies a victory for the hard-liners.

party secretariat, the military, and elsewhere in the bureaucracy, who provide the staff work, position papers and analysis on which the politburo bases its final decisions.

The intimations of forthcoming top-level changes must also have led to jockeying for support within the top party echelons and among the powerful local party bosses in the 15 republics.

The West knows very little about the character, convictions or abilities of these men, and this is now a major factor of uncertainty in analysing the likely future course of Soviet affairs.

decisions, four leading politburo figures must have played a key role in the build-up to the Afghanistan invasion. These are 77-year-old Mr. Mikhail Suslov, the party's chief ideologue and reputed "king maker," Mr. Yuri Andropov, 65-year-old Interior Minister who heads the KGB, Mr. Dimitri Ustinov, the 71-year-old armaments expert who now holds the top military rank of Marshal of the Soviet Union and Minister of Defence, and the 70-year-old Foreign Minister, Mr. Andrei Gromyko.

These are the men with the closest direct responsibility in the key fields of ideology, internal security, defence and foreign policy. Economic considerations appear to have been brushed aside or dismissed as marginal —even though it is in the economic field that the Soviet Union is most vulnerable.

Economic growth has virtually stopped, productivity remains stubbornly low, the burden of military expenditure has diverted resources and contributed to low growth and inefficiency elsewhere in the economy.

The most direct effects of the Western reaction, furthermore, have been in the economic sphere through the grain embargo, with its implications for future meat supplies and consumer discontent, and credit and high technology restrictions.

Mr. Brezhnev, himself, in his interview with the party paper Pravda 10 days ago, indicated that the decision to invade Afghanistan had provoked divisions within the politburo. "It was no simple decision for us to send military contingents into Afghanistan," he said. Once a majority emerged, however, the principle of democratic centralism came into its own and he added that the party's central committee and government "acted in full awareness of their responsibility and took into account the entire sum total of circumstances."

In fact, there are indications that the Soviet Union has been taken aback both by the strength of Third World opposition and the apparent determination of President Carter and other Western leaders to keep up the pressure and not repeat the quick return to "normality" which followed the invasion of Czechoslovakia.

The apparent victory of the "metal eaters"—the Soviet equivalent to the U.S. "industrial military complex"—and the hard-liners generally, is actually helping to strengthen the old bogey of "capitalist encirclement" from which the Soviet Union has tried for decades to break free.

As what hard-liners saw as a quick and cheap strategic gain on their exposed southern flank is converted into a long-term and expensive increase in anti-Soviet feeling around the world, the true cost of pursuing great power chauvinism abroad and repression at home is only now becoming clear.

It remains to be seen whether realisation of the costs and dangers of such a policy will sink through quickly enough to strengthen the hands of those elements in the Soviet body politic who advocate a more pragmatic and fruitful policy of co-operation and genuine detente.

Farm policy set for difficult decade

BY OUR BRUSSELS STAFF

THE EEC's common agricultural policy faces a difficult decade with a continuing need for heavy spending to cover product surpluses which may well be exacerbated by the enlargement of the Community.

This gloomy outlook, published by the European Commission yesterday, comes at a time when the problems of curbing agriculture's dominant slice of the Community's budget—75 per cent of the total—is one of the major pre-occupations. If present trends continue the CAP could take the Community's spending up against its legal limits some time next year and for this and other reasons the Commission has produced plans for spending economies which are currently under discussion with the nine member states.

While acknowledging a need for a strict price policy to discourage product surpluses the Commission's annual report on the agricultural situation in the Community points out that such a policy will bear heaviest on regions which are already economically and agriculturally backward. This, it suggests, strengthens the need to channel more spending into structural policies designed to boost efficiency, the reduction of the agricultural labour force and, hence, greater productivity.

This is not a new theme for the Commission, which points out the considerable scope for reducing the farm population offered by the fact that 44 per cent of farmers and 25 per cent of the total employed in agriculture are over 55 years old, compared with 14 per cent in the total EEC economy.

The report takes a forward look at likely developments by 1990 and predicts there will be 64 million more consumers in a Community which would include Greece, Spain and Portugal. But it expects food consumption to increase slowly, "as the part of the family budget spend on food is decreasing."

Production, however, will almost certainly outstrip internal and external demand with a result that still more products are likely to be in surplus within the Community.

The implication of this is that without changes in the CAP the burden of price support will be still greater.

Change of direction at Bank of Portugal

BY JIMMY BURNS IN LISBON

THE RESIGNATION of Dr. Jose da Silva Lopes on Tuesday as Governor of the Bank of Portugal is expected to lead to changes in the relationship between the Government and the Bank, particularly over management of the economy.

Dr. Lopes said he resigned principally for personal reasons but he has tendered his resignation on at least two previous occasions, claiming that he was tired of administrative chores and preferred a more technical but less public role.

He has promised a statement next week, an unprecedented move for a man who has always shunned publicity. It will almost certainly reveal what the banking community here has admitted only privately until now, namely that tension between the Bank and the Government over the past year has increasingly made Dr. Lopes' position untenable.

Dr. Lopes became Governor in 1975 during a period of political and financial chaos. It was during a subsequent period of instability that the Bank of Portugal found itself increasingly saddled with the management of the economy.

As an institution essentially guided by civil servants it insured an element of continuity in contrast to the endless government reshuffles. The Bank's role became crucial in late 1977 when Portugal first approached the International Monetary Fund.

The relationship between the Bank and the Government became notably strained following the collapse of the Socialist-Conservative alliance in the summer of 1978 and its eventual replacement by a non-party government led by Dr. Carlos Mota Pinto.

The Governor's resignation this week is essentially a conciliatory gesture, aimed at ensuring a better working relationship between the Bank and the new centre-right Government.

Privately Dr. Lopes has made it clear that he would have found it difficult to go along with some of the political and economic measures being proposed by the Government.

His successor as Governor is Sr. Jacinto Nunes, Finance Minister in the Mota Pinto administration. Sr. Nunes is expected to insure that not only the Bank of Portugal but the banking system as a whole becomes more accountable to the Government.

Dr. Lopes' resignation is expected to lead eventually to a reshuffle of the main board at the bank. Sr. Vitor Constancio is expected to lose his position as Vice-Governor. Now a Socialist MP, he actively opposed the economic policies of the centre-right Democratic Alliance during last month's general election.

Moscow attacks Strauss

By Leslie Collit in Berlin

THE SOVIET UNION has sharply attacked Herr Franz Josef Strauss, the Bavarian Premier, as being one of Europe's leading "hawks," together with Britain's Prime Minister, Mrs. Margaret Thatcher.

A German language broadcast, by Radio Moscow, accused Herr Strauss, the Christian Democrat contender for the West German Chancellorship in next October's elections, of actively seeking to bring back the Cold War to Europe.

The Soviet broadside, comes shortly before Herr Strauss is due to leave for a trip to Romania where he is to confer with Mr. Nicolae Ceausescu, its President and Communist party leader.

Romania has deeply angered the Soviet Union for refusing to support it in the United Nations General Assembly vote condemning the military intervention in Afghanistan.

President Ceausescu recently reaffirmed his country's independent role in the Warsaw Pact by condemning "military adventures" and announcing that Romania will strengthen its defences.

Herr Strauss and the Romanian leader, are to discuss the implications for Europe, of the Soviet occupation of Afghanistan, according to a Bavarian government official. They will also dismiss the future of Yugoslavia.

East Germany, meanwhile has warned that its relations with Bonn could be affected by the latter's position in the growing East-West dispute.

The East German news agency attacked Herr Hans-Dietrich Genscher, the West German Foreign Minister, for backing Washington's "anti-detente policy and threats of world wide intervention."

Martens emerges intact

By Giles Merritt in Brussels

BELGIUM'S FOUR main political parties have drawn back from a confrontation that threatened to destroy the coalition Government led by M. Wilfried Martens.

Following an announcement by M. Martens' own CVP Flemish Social Christian Party that it has decided to accept the Prime Minister's latest compromise package, M. Martens yesterday emerged at the head of a Government that appears decidedly less fragile than the five-party coalition he formed when he came to power.

The new four-party coalition—which groups the CVP Flemish Social Christians, the PSC, which is its Francophone counterpart, and the Flemish BSP and Francophone PS Socialists—is being tipped to restore political stability to Belgium for at least two years.

Even more important, all four coalition parties seem set to back M. Martens' austerity measures, cutting public spending and reducing Belgium's mounting public sector borrowing requirement.

Tito's health improves

BELGRADE — President Tito's doctors said yesterday that the 87-year-old leader was showing further improvement after the amputation of his left leg on Sunday and had been able to get out of bed.

The doctors said in a bulletin: "The general condition of President Tito's health is further improving. The President spent last night quietly and he is feeling well. He has started gradually to leave his bed."

The doctors gave no further details.

President Tito is undergoing treatment in the Cardiovascular section of a clinic in Ljubljana Reuter

Austrian discount rate rises to $5\frac{1}{4}\%$

BY PAUL LENDVAI IN VIENNA

AUSTRIA'S Central Bank yesterday announced a 1.5 points increase of the discount rate to a basic rate of $5\frac{1}{4}$ per cent, the highest level since January 1976, in an effort to stop the outflow of speculative funds to West Germany and other markets with higher interest rates.

The Lombard rate on loans against security was also raised by the same amount to $5\frac{3}{4}$ per cent. Despite sharp opposition by some bankers, the split discount rate has remained in effect.

The new discount rate applies to bills tendered for rediscounting up to a maximum of 70 per cent of each bank's rediscount facility. For bills tendered above that limit an enhanced rate of $6\frac{1}{4}$ per cent applies.

The Central Bank has promised to undertake short-term open market operations to ease pressure on liquidity. To restrict the outflow of speculative funds the punitive rate on the non-fulfilment of minimum reserve ratios has been increased from 2.5 per cent to 5 per cent over the level of the basic discount rate. That is the highest rate allowed by law.

The decisions mean that the Austrian monetary authorities have opted for the continuation of the policy of the "hard schilling," giving priority to internal monetary stability and a high exchange rate. Dr. Hannes Androsch, the Finance Minister, said yesterday that the inflation rate would remain below 5 per cent this year.

Austria's foreign exchange reserves fell in the January-November period last year by Sch 16bn (about £570m) and an estimated Sch 4bn reduction occurred in December-January. An increase in the bank rate has been overdue since many companies have borrowed large sums only to reinvest them in German and other securities with a higher coupon than the current bond and money market rates in Austria.

● Dr. Bruno Kreisky, Austria's Chancellor, left yesterday for a two-week tour of the Far East and Middle East to promote Austrian exports

$10bn deficit expected in Nordic bloc

By William Dullforce in Stockholm

THE NORDIC countries will have a combined deficit on current account of around $10bn in 1980 and their foreign borrowing requirements are likely to be of the same order. Sweden will account for over half the combined deficit.

This forecast is made in "Nordic economic outlook," an analysis published every six months by the Federations of Industries in Denmark, Finland, Iceland, Norway and Sweden. Finland and Iceland, which were the only Nordic countries to achieve a surplus on current account in 1978, will run deficits in both 1979 and 1980.

The Nordic economies are expected to grow more slowly this year with the increase in gross domestic product averaging 2 per cent against 4 per cent last year. The range is wide, however, with Finland forecasting 5 per cent growth and Denmark anticipating a decline of 1 per cent.

The payments deficits and concern about rising inflation will necessitate restrictive demand management in all five countries.

Turkey warns Soviet Union

By Metin Munir in Ankara

Turkey said yesterday that the Soviet Union must withdraw its troops from Afghanistan if detente is not to be relegated to "the domain of sweet dreams."

In a speech opening a debate on foreign policy in the Turkish Parliament, Mr. Hayrettin Erkmen, the Turkish Foreign Minister, said it was Turkey's "sincerest wish that the foreign troops in Afghanistan are withdrawn as quickly as possible."

Mr. Erkmen said "the wind of tension and insecurity called the cold war may start blowing again," and noted the possibility that detente could be suspended for a time.

The Turkish Foreign Minister leaves for Pakistan on Saturday to attend the Foreign Ministers' conference of Islamic countries on Afghanistan.

Europe's man-made fibres industry facing more losses

BY KEVIN DONE IN WUPPERTAL-ELBERFELD

THE EUROPEAN synthetic fibres industry made a combined loss of about DM 1bn (£250m) last year, according to estimates released here yesterday by the Enka group, the largest European fibres manufacturer.

Despite far-reaching attempts to reduce capacity and restructure the industry, further losses are predicted for 1980. Dr. Hans Günther Zempelin, the chief executive of the Enka group, warned yesterday: "The man-made fibre industry is in for rougher times than in 1979. We have to be prepared for lower volume sales and, therefore, lower capacity utilisation, and presumably also for lower earnings."

Any further European reduction in capacity for textile staple and carpet yarn production would be unlikely to show any results before 1981.

The synthetic fibres industry in Europe would have to adjust to a probable downturn—or at best no further growth—in its major customer industries, the textile and tyre manufacturers.

In addition, prices would probably come under growing pressure from rising U.S. imports, which could prevent the industry from passing on mounting raw materials costs. This, in turn, would block "vitally important improvements in the profit margins of some products."

Enka said yesterday that the outlook for 1980 was for a downturn in business and, for the longer term, there was scarcely any growth in prospect.

The Enka group itself made a modest profit last year, said Dr. Zempelin; but only as a result of its involvement in non-fibre sectors and through its activities in South America.

The group's man-made fibre sales in Europe were barely 2 per cent higher than in the previous year, at 470,000 tonnes, and significant losses were again incurred in this major business area.

Consolidated sales of the West German / Dutch-owned Enka group, which is part of the Dutch chemicals group Akzo, totalled some Fl 4.1bn (£940m) last year, an increase of 14 per cent on 1978.

However, what improvement there was in the group's profitability — no detailed figures were given — could largely be attributed to stock profits, caused by the rapidly rising prices of the group's oil-based raw materials.

"The earnings position of the Enka group is not only unsatisfactory but absolutly inadequate to safeguard future security and long-term employment prospects," said Dr. Zempelin.

The major problem areas remain the production of polyester filament and staple fibres and carpet yarn. A further concentration of manufacturing capacity for carpet yarns is expected to cause the loss of 300-400 jobs at Emmen in Holland.

Since 1975, Enka has reduced its workforce in West Germany and the Netherlands by some 12,000, or nearly 30 per cent, as part of its attempts to cut capacity and regain profitability. But severe problems remain. Falling market demand for polyester fibres and rising U.S. imports could lead in the near future to production cutbacks and short-time working at factories in this sector, warned Dr. Zempelin.

British Enkalon, the Enka group's UK subsidiary, was "in a critical situation." It was suffering significantly from U.S. imports of carpet yarn, finished carpets and polyester yarns, and about Fl 2m (£460,000) in potential profits were lost last year through the national UK lorry drivers strike. These factors, combined with a high interest rate burden, left the company operating at a loss last year.

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OVERSEAS NEWS

Japan's Foreign Minister calls for activist policy

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

JAPAN SHOULD abandon its passive role in international affairs and embark on an activist foreign policy in the 1980s Dr. Saburo Okita, the country's Foreign Minister, told a meeting of foreign correspondents in Tokyo yesterday.

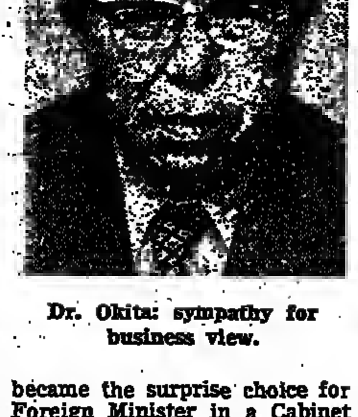
The Minister said that, while frequently criticised by outsiders, Japan's foreign policy had served its national interests well in tha two-and-a-half decades since the Second World War.

In the 1980s, however, conditions would be different. Japan could no longer take for granted the existence of an international climate guaranteeing its prosperity. It must therefore start trying to make a positive contribution to global stability.

Dr. Okita's speech marks an advance on conventional Japanese thinking on foreign affairs which has tended to stress the need to follow U.S. leadership and to avoid risky or controversial actions. Dr. Okita stressed that be was not suggesting any radical changes in Japan's relationships with individual countries. The U.S. alliance would remain the cornerstone of foreign policy bnt could no longer be taken for granted as in the past.

Japanese defence expenditure should remain low as a percentage of gross national product—it accounts for 0.9 per cent at present—but Japan could contribute to security in the region by paying more for the upkeep of U.S. forces in Japan and by stepping np its overseas aid. Another way in which Dr. Okita thought Japan might make a positive contribution to global stability was by taking a lead in the development of alternative energy resources.

Dr. Okita is an economist who



Dr. Okita: sympathy for business view.

became the surprise choice for Foreign Minister in a Cabinet resbuffle lata last year, mainly as a result of fractional deadlocks within the ruling Liberal Democratic Party.

His view that Japan needs to make a fresh start in foreign policy, while not widely shared by professional dlplomats, reflects frustrations felt in the business community about the passive and ineffective role which Japan seems to play in international affairs. These frustrations have been strengthened by the spectacle of Japanese helplessness and indecision during the Iranian crisis.

A point on which Dr. Okita appears to be in sympathy with Japanese business leaders, as well as with his Prima Minister, Mr. Masayoshi Ohira, is the growing importance of the Pacific basin as a focus for future Japanese initiatives.

Major investments in resource development may well be concentrated in this area in future, rather than in less stable areas like the Middla East, and Japan will try to take the lead in forming a Pacific basin community.

This, in Dr. Okita's view, would be a highly flexihie institution, open to all countries in the region, bnt concerning itself with economic and cultural collaboration, rather than defence.

Dr. Okita told journalists yesterday that be felt unlucky to have become Foreign Minister et the precise moment when the conditions surrounding Japan were combining to force the country to adopt a more activist role. He stressed thet Japan's economic strength had made the switch from a passive policy inevitable sooner or later.

Foreign observers had characterised Japan in the past as an economic giant and a political dwarf. In future Japan should gradually narrow the disparity between these two things, he said.

ran has $8bn in 'free reserves'

... ...IDERSON IN TEHRAN

...LIREZA NOWBARI, ...s Central Bank Governor, ...n confidently of the ...'s country bas been able ...ndle the banking side of ...is with the U.S.

In an interview with an English language weekly, the Iranian, he said total reserves were over $13bn and less than 40 per cent had been frozen. This indicated an approximate $8bn of free reserves which were increasing by about $1bn a month.

He also considered that as European countries had not yet taken action, as urged by the U.S., it indicated that the countries actually supported Iran. And he warned that if European banks tonched Iran's frozen assets, other countries, like Libya, Algeria and Knwait would take reprisals.

Mr. Nowbari, at 32 the youngest ever Governor of the Central Bank of Iran, said that Iran bad 60 lawyers working on the problem of dollar assets in U.S. banks in Europe.

Regarding frozen funds in the United States he said it was completely illegal for American banks to deduct their loans to Iran from the Central bank's account, because President Jimmy Carter's order on freezing the money meant that it could not be touched by anyone. A court order was also needed to deduct any money and private loans could not be redeemed from a Government's account.

"From the Iranian point of view," he said, "our accounts remain frozen and intact."

The American-educated Governor—a protege of Mr. Abolhassan Bani-Sadr, the Finance Minister—was also asked about new loans abroad. He said it was not np to him to decide but as an individual be thought that future loans would probably he given to any country struggling to free itself from imperialism.

Panama denies arrest of Shah

BY OUR TEHRAN CORRESPONDENT

IRAN's Foreign Ministry claimed twice yesterday that the Panamanian euthorities had placed the exiled Shah under arrest, despite denials from Panama.

Diplomats in Tehran doubted that Panama would ever allow the Shah to be extradited, saying it was far more likely that if the Panamanians wished to be rid of Iran's former ruler, they would merely encourage him to find somewhere else to live.

The diplomats said any indication of concessions by Panama would be a tactic to lessen pressure on that state. They speculated that the U.S. might he trying to develop a dialogue between Panama and Iran to include the question of the 50 diplomats held bostage in the U.S. embassy in Tehran.

Mr. Sedegh Qathzadeh, the Iranian Foreign Minister, personally issned the second claim about tbe Sbah. It was thought his involvement might be a political move to enhance his chances in tomorrow's presidential election. Mr. Qotbzadeh is not regarded as a likely winner on present standing.

S. African 'spy' in Europe goes home

By Peter Bruce and Bernard Simon

MR. CRAIG WILLIAMSON, a South African police spy who infiltrated several anti-apartheid exile movements in Europe, arrived in Jobannesburg from London yesterday, accompanied by the chief of the South African Security Police, Brig. Johan Coetzee. Mr. Williamson was immediately taken to police headquarters in Pretoria.

Mr. Williamson's exposure in Geneva this week has virtually brought international anti-apartheid activity to a halt. As deputy director of the International University Exchange Fund, he directed one of the most important financial channels to South African guerrilla and political groups and the IUEF has warned that "hundreds" of people inside South Africa face arrest following his exposure.

Exila opposition to the regime in Pretoria operates on both military and political levels. Two guerrilla movements, the African National Congress and the Pan-Africanist Congress, banned in South Africa since the early sixties, have only recently been able to infiltrate armed forces into the country. The ANC has engaged police patrols in the eastern Transveal and attacked two urban Transvaal police stations in the last 10 months. Mr. Williamson, who spent two years with the IUEF, led the organisation into a close political alliance with the ANC.

Under the umbrella of the Anti-Apartheid Movement, exile political groups have been lobbying foreign governments and corporations to cut links with South Africa for the last 20 years and large amounts of money have also been been moved into South Africa to pay for political trials and dependants of political prisoners. Mr. Williamson has had free access to information about these activities since 1977.

Mr. Williamson told his IUEF superiors last weekend he had been a captain in tha South African Security Police since 1968.

The Zambia-based leadership of tha ANC is trying to assess the damage Mr. Williamson's information may cause.

The IUEF played a major role in the exodus of thousands of young black refugees from South Africa since the Soweto riots in 1976. Most are now undergoing military training with the ANC.

It is possible he may be able to provide the South Africans with information on the location of guerrilla training camps in Zambia, Tanzania, Mozambique and Angola.

Israel ready for Sinai hand-over

BY DAVID LENNON IN TEL AVIV

THE ISRAELI army pulled out of a vast section of central Sinai yesterday in preparation for the hand-over of the region to Egypt tomorrow. The transfer will complete the first part of the peace agreement between the two countries.

This is the sixth and final section of the stage-by-stage Israeli withdrawal to a new interim line in Sinai from El Arish in the north and Ras Muhammad in the south.

The completion of the pullback eignals the beginning of normal relations between the two former enemies, the most dramatic expression of which will be the opening of emhassies next week.

Israel will retain control over one third of the battle-scarred peninsula until April 1982, when Israeli troops will be withdrawn behind the international border which runs from the southern end of the Gaza Strip to Eilat on the Gulf of Aqaba.

Tha Israeli forces beld e private farewell ceremony yesterday at the Bir Gafgafa airbase and military camp which Israel renamed Refidim after capturing it in 1967. It was then made into Israel's military capital in Sinai.

Hundreds of tanks, armoured personnel carriers, mobile artillery and jeeps drove past a salnting platform where the chief of staff and other senior officers marked the conclusion of the biggest withdrawal operation ever staged by the Israel defeoce forces.

The area being handed over tomorrow covers 5,560 square miles, almost a quarter of tha total area of Sinai. It lies just east of tha strategically vital Mitla and Giddi passes, tha only routes through the mountains east of the Suez Canal.

It was at these passes that Israeli troops caught and destroyed the retreating Egyptian army in the 1956 and 1967 wars. The roads leading to tha passes are still lined by the burnt out bulks of Egyptian armour caught by the swiftly moving Israeli forces.

During more than 12 years' occupation, Israel installed a vast amount of military equipment in the area. Apert from turning the Bir Gafgafa base into the pivotal centre for its forces, it also boilt one of the world's most sophisticated surveillance posts at Um Khusheiba near by.

The surveillance equipment has all been removed and the installations blown np. At Bir Gafgafa, Israel has carried out a huge operation to withdraw all the equipment and movable structures which bad been built.

Despite this, Israel is returning more to Egypt than it captured. This includes the airfield which has been expanded and developed, new buildings and structures which would have been too costly to remove, as well as a water system, road network and telephone lines.

Also remaining until tomorrow are a few military units which will take part in the handover ceremony as the Israeli flag is lowered and the Egyptian flag is raised once again.

India takes new line on Afghanistan

By K. K. Sharma in New Delhi

OBSERVERS DETECTED a marked change in India's policy on the Soviet invasion of Afghanistan yesterdey when Mr. P. V. Narasimhe Rao, the External Affairs Minister, told Parliament that the Government hoped Soviet troops would withdraw soon. This was accompanied by an expression of concern over the presence of foreign troops in other countries.

India's stand taken at the UN General Assembly 10 days ago that the Soviet troops went to Afghanistan at the invitation of tha Afghan authorities has been criticised severely by Third World countries. It was also discussed at diplomatic level with the U.S. Administration and with Lord Carrington, the British Foreign Secretary, when be visited Delhi last week.

World public opinion appears to have forced the Indian Government to dilnte its stand and yesterdey the Minister made no mention of the Afgban Government's "invitation" to Russia to seod troops. However, be expressed serious concern at the U.S. Administration decision to resume arms supplies to Pakistan.

Coocern at the events in Afghanistan was also expressed by Mr. N. Senjive Reddy, India's President, when he addressed a joint sitting of the two Houses of Parliament yesterday.

Hurvitz defends strategy for battle against inflation

BY L. DANIEL IN JERUSALEM

A WARNING that Israel will not have pockets of unemployment but only patches of employment in two or three years, unless proposed budget cuts for the coming financial year are adhered to, was voiced yesterday by Mr. Yigal Hurvitz, the Finance Minister.

He said that unless inflation was halted and the trade deficit reduced, Israel would deplete its foreign currency reserves and find itself in the same position as Turkey, but without that country's natural resources.

His statement followed attempts by the Housing Minister to push through the Cabinet a decision to continue massive public housing and a threat by the Minister for Social Welfare to resign if children's allowances were cut.

The credit freeze imposed in November for an initial three months is to remain in force until May, Mr. Hurvitz announced.

At a joint meeting of tha Treasury and the Central Bank, the Governor, Mr. Arnon Gafny, came out strongly against the massive resort to the printing presses during the last quarter of 1979. He urged the Treasury to abstain from taking the lead in raising prices (by the abolition or reduction of subsidies) and to step np tax collection by 5 per cent or I£1bn (£12m) in real terms.

However, he sounded an optimistic note. If all the necessary steps were taken, including the lay-off of public sector workers, the rate of inflation could be reduced from the 8-10 per cent of the last quarter of 1979 to 2-3 per cent a month in mid-1980.

Peking commander sacked

BY TONY WALKER IN PEKING

MR. DENG XIAOPING, China's Senior Vice-Premier, appears to have further strengthened bis grip on leading positions in the Chinese Communist Party with the removal of Mr. Cben Zilian as commander of the Peking military region, one of Chine's key military posts.

China's information department yesterdey confirmed that Mr. Chen, who is a member of the Politburo, no longer held the post.

It has been known that Vice-Premier Deng and Mr. Cheo have been at loggerheads for some time.

Western analysts aay there now seems little doubt thet Mr. Chen will be dropped from the Politburo et the oext Natiooal People's Congress, due later this year. Four or five other members of the Politburo could lose their positions at the same time.

Mr. Chen has been replaced by Mr. Qin Jiwei as first political commissar of Peking'a military garrison.

Malaysian farmers in rice riots

By Wong Sulong in Kuala Lumpur

A CURFEW has been imposed around Alor Star, capital of the north-west Malaysian state of Kedah, following a big anti-Government demonstration by Malay rice farmers yesterday.

Hundreds of armed riot police fired tear gas to disperse 10,000 farmers wbo earlier stormed the state government's headquarters protesting against low Government subsidies for rice, their main crop. Two policemen were injured by stones and about 90 demonstrators were arrested.

Police said the curfew covered the whole of the Kota Star district, over 400 square miles with a population of more than 300,000

Datuk Hussein Onn, the Prime Minister, last night ordered two Ministers to go to Alor Star to meet the farmers. The state's Chief Minister, Syed Nahar, bas blamed militant groups for exploiting the subsidy issue. Two weeks ago, the authorities raised the rice subsidy by an extra $1.5 per 100 kilogrammes to be paid in coupons wbicb could be used to buy Government bonds.

Yesterday's demonstration was the first outburst of rural unrest in five yeers. In 1974 rubber farmers, also from Kedah, demonstrated against falling rubber prices.

Rice farmers in Kedah have been particularly bard hit in recent years because of drought,

Congress discusses how to spend oil tax revenue

BY DAVID LASCELLES IN NEW YORK

AFTER agreeing on details of a windfall profits tax on oil, House and Senate conference members went back into a huddle yesterday to decide how to spend the $227.3bn the tax will raise over the next 10 years. They must also decide whether the tax will be permanent, or whether it should be phased out in the 1990s.

President Jimmy Carter, who proposed the tax as part of his package to lift controls from U.S. oil prices last year, wants a permanent tax which will raise revenues for urban transport, development of new fuels, conservation and aid to help the poor meet higher energy costs.

However, the two houses of Congress disagree over the duration of the tax, with the House wanting a permanent levy and the Senate wanting to phase it out after 11 years.

The fact that the tax agreed by both houses will raise considerably less than the $292bn sought by the Administration also suggests there will be tough bargaining over which are the most deserving beneficiaries.

Broadly, the tax agreed on Tuesday places the heaviest burden on oil already being produced, but leaves incentives for companies to go out and find more oil, or invest in advanced techniques to improve recovery from existing wells. Small independents also receive encouragement to find and produce more oil.

The tax will be levied on the amount by which the price of oil rises above base prices which will be determined according to the category of the oil.

Alaskan producers, which include BP's subsidiary Sohio, win special treatment. They have to pay the full tax rate (70 per cent) on oil under production before 1979, but they are completely exempted from tax on any discoveries made after that—a break which recognises the huge expense of opening up Alaskan oil. Other producers have to pay 30 per cent on newly-discovered oil.

However, Alaskan producers suffered another—not unexpected—setback on Tuesday when environmentalists won a court order annulling the recent auction of offshore oil exploration leases in the Beaufort Sea, north of Alaska. A federal judge ruled that the Department of the Interior which organised the auction had failed to collect proper information about the impact of exploration on the area.

Unless the issue can be sorted out by February 10, the auction will be deemed to have been invalid.

The Beaufort Sea leases are the most important to have been auctioned in the U.S. for several years. Invalidation would be a major setback to U.S. plans to expand domestic oil production.

President Jose Lopez Portillo

Expansion troubles Mexico's economy

By William Chislett in Mexico City

THANKS TO oil, Mexico's economy now appears to have escaped the grip of recession which followed the 45 per cent devaluation of the peso in 1976. But the country's much-vaunted economic "take-off" has been accompanied by a worrying deterioration in its internal and external financial position and by a renewed flaring of inflation.

Last year Mexico's gross domestic product grew in real terms by 7 per cent, and growth this year is projected at 8 per cent. But the Government's large budget deficit of $7bn is expected to rise to $8bn this year, and the current account deficit of $3.4bn last year was $400m more than expected.

The country's rising inflation rate is one of the most tangible problems generated by these trends. Officially last year's rate was 20 per cent, and it will be higher this year. But President Lopez Portillo has declined to reverse his expansionary policies, apparently without Cabinet dissent.

Unemployment and underemployment are estimated to be as high as 40 per cent. Some 700,000-800,000 new jobs are needed each year to keep the unemployment rate from rising.

Mexico's abundant supplies of oil—it has the sixth largest proven reserves in the world—mean the country's inflation cannot be blamed conveniently on OPEC price increases. The Government cites increased prices for imported raw materials and capital goods as a major cause.

Imports rose more than 40 per cent in the first nine months of 1979 compared with the same period the previous year and non-oil-related industries have been unable to improve their export performance substantially. The trade deficit has worsened.

With increased foreign borrowing to finance public sector projects, this has meant that the current account deficit has grown. This has in turn helped fuel the private sector's own arguments about inflation. Businessmen say the Government's failure to curb public sector spending is at the root of the problem.

Certainly the Government's 1.63 trillion peso budget ($74.3bn) this year gives high priority to the state-run oil, steel and electricity sectors. But demand pressure is also helping to sustain high inflation. This is encouraged by the virtual monopoly of these sectors in the country's transport system. What makes matters still worse, the complications are raising questions about whether the Government has really got its economic strategy right.

This is apparent both in agriculture and in industry. One of the dangers in the Government's continued expansionary policy is that in the short term it is worsening the imbalance between town and countryside. Discontent is growing in both.

Some 1,000 people move into Mexico City from the countryside each day. Prices there are rising rapidly. Tortilla, the corn flour pancake which is the Mexicans staple food, has almost doubled in price in the past year.

The question being asked is whether the Government should not be channelling more resources into agriculture, if only to head off any possible conflict between what are called "the two Mexicos." Last year agricultural production fell 9.4 per cent. The Government blames the harsh drought and frost, but farming methods need updating.

On the industrial front, inflation is provoking restlessness among the trade unions. This is potentially even more damaging, as nearly all the unions are closely allied to the long-ruling Institutional Revolutionary Party. For three years Mexico's comparatively privileged unionised labour has shown restraint in its wage demands. But now it wants a wage ceiling closer to 20 per cent, after 13.5 per cent last year.

N-plant plans abandoned

By Ian Hargreaves in New York

A CONSORTIUM of electric utility companies in the mid-West of the U.S. has scrapped plans to build four nuclear power plants valued at $7.3bn because of uncertainty about the future of nuclear energy.

The move, which has been under consideration for some time, was announced by the four members of the Central Area Power Co-ordinating Group, which supplies electricity in Ohio and Pennsylvania.

The companies will go ahead with existing projects on three nuclear stations, but they said the uncertainty about safety regulations following the accident at the Three Mile Island nuclear station last year was the main reason for cancelling four projects which are at the design stage.

The four companies say they continue to believe in the superiority of nuclear power but are unwilling to expose themselves to the financial risks of having to make major design changes as new federal regulations are developed.

Californians protest at cut in credit rating

BY IAN HARGREAVES IN NEW YORK

CALIFORNIA STATE officials protested vigorously yesterday at a New York credit rating agency's decision to cut the quality rating on the state's securities. The agency's action could lead to the state paying higher interest on money it borrows.

Standard and Poor's, one of two credit agencies whose ruling is a matter of intense anxiety for municipal and corporate treasurers across the U.S., gave no reason for downgrading California's general obligation bonds from Triple A to AA Plus.

But the move is assumed to be a response to the latest outbreak of tax-cutting fever by private citizens in California—the "Jarvis Two" ballot. This ballot, in June, will decide on a proposal to cut Californians' personal tax by half. It follows the success more than a year ago of the famous Proposition 13, which placed new and radical limits on the state government's ability to raise either taxes or public spending.

Jarvis Two takes its name from Mr. Howard Jarvis, one of the people behind Proposition 13.

It has rendered somewhat academic the recent budget statement by Governor Jerry Brown of California, which proposes an 8.6 per cent increase in spending in the fiscal year starting on July 1, to $22.8bn state budget.

If Jarvis Two succeeds, it will cost the state treasury $5bn in its first year.

Salvador troops kill 11

SAN SALVADOR—At least 11 people died and 30 were wounded in clashes between left-wing demonstrators and members of El Salvador's security forces in central San Salvador on Tuesday.

A gun battle broke out in front of the National Palace, when National Guards opened fire on demonstrators painting anti-government slogans on the walls.

Police said a guard had opened fire because he thought one demonstrator was trying to plant a bomb.

But a security forces communique said afterwards that all soldiers had been confined to barracks, and none took part in the shooting. They said trouble had been caused by people masquerading as soldiers.

The incidents occurred during marches by three left-wing groups through the city.
Reuter

June poll in Bolivia

LA PAZ—Bolivia will hold general elections on June 29, in another attempt to break its chronic cycle of political instability.

A decree by Sra Lidia Gueiler, the interim President, said the new Head of State and Congress (Parliament) could take over on August 6 for a four-year term.

This is Bolivia's third attempt in three years to consolidate a civilian Government after almost a decade of military rule.
Reuter

World Bank aid stalled

WASHINGTON — A Congressional stalemate over the annual foreign aid spending bill has blocked World Bank grants of about $400m in development loans to some of the world's poorest nations, U.S. officials have said.

The six potential recipients include Pakistan and Kenya, which the U.S. is courting in an effort to shore up U.S. strength in the Indian Ocean area in response to the Soviet intervention in Afghanistan.

Officials of the Congressional committees handling the foreign aid bill said no conferences are scheduled to resolve differences in rival versions approved by the Senate and the House of Representatives. U.S. officials nevertheless said new tensions in the Gulf since Congress went into recess on December 21 made passage of the foreign aid bill particularly urgent.
Reuter

Kennedy faces tough test in New England

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

STUNNED by the magnitude of his defeat by President Jimmy Carter in Monday's caucuses in Iowa, Senator Edward Kennedy is now confronting the painful reality that he could actually lose some or all of the critical New England election tests in February and early March.

This was brought home forcefully by the publication in the Boston Globe of a poll of Democrats in New Hampshire. The state holds the first primary proper on February 26, and the poll showed Mr. Carter leading the Senator by 35 per cent to 31 per cent, with 21 per cent for California's Governor Jerry Brown and the balance undecided. A similar canvass in November gave Mr. Kennedy 53 per cent to Mr. Carter's paltry 18 per cent.

The most immediate test is in neighbouring Maine, which holds party caucuses on February 10. Even here it is no longer automatically assumed that Mr. Kennedy will triumph in what is supposed to be his own kingdom. Only last week Mr. Edmund Muskie, the influential senior Senator from the state, hinted that he was thinking of endorsing President Carter.

Political experts generally agree that the stunning reversal in the fortunes of the Senator and the President has not been brought about because Mr. Carter has suddenly rediscovered the magic of 1976, given though the international crises have helped. Rather, Mr. Kennedy is said to be presiding over what seems to be an amateur operation.

Thus, while the Kennedys are traditionally thought to attract the brightest and the best to assist them, the adjectives most commonly used to describe the Senator's campaign staff are "arrogant," "complacent" and even "ignorant."

What complacency existed when Mr. Kennedy declared his candidacy last November, when he was miles ahead of Mr. Carter in the polls, no longer exists. Iowa may prove over the long run to have been a salutary lesson. But the Kennedy staff is much less well versed in the new rules of the electoral game than its Carter counterpart. In an age when an individual may contribute no more than $1,000 a head to a candidate, a few shrewdly-placed phone calls can no longer drum up hundreds of thousands of dollars in campaign finance.

Insufficient thought also appears to have gone into the policy positions Mr. Kennedy has enunciated. He has not been able to come up with an articulate, consistent economic policy alternative to that of the Carter Administration. But as the international crises fade, the nation's attention could turn to economic matters and so to the Senator's benefit.

In Iowa, it was felt that his attack on the President's invocation of a partial grain embargo against the Soviet Union was too nakedly political in a farm state. In energy-scarce New England, it is assumed he will focus on the soaring price of home heating oil and bemoan the President's inability to exert any influence over the Organisation of the Petroleum Exporting Countries.

Edward Kennedy: complacent no longer.

But there is evidence that Americans are beginning to realise that the era of cheap energy has gone, and are not persuaded by arguments that the solution is the reimposition of federal controls over energy pricing as advocated by Mr. Kennedy.

The absence of consistent policies, poor organisation and the sometimes unconvincing manner in which Mr. Kennedy has performed in public have compounded the deeper reservations clearly held about his qualifications for the Presidency. Chappaquiddick continues to dog his footsteps, and there seems little he can do about it.

Nothing, of course, is irreversible. Conventional political knowledge dictates that Mr. Kennedy ought to recoup his fortunes in New England. And Mr. Carter may yet prove as fallible as the Senator. But there is nothing like the popular momentum generated by success at the polls to spur a candidate along — and momentum is something Mr. Kennedy sorely needs at present.

U.S. to press UK on Soviet curbs

BY ANTHONY McDERMOTT

THE U.S. will be seeking from the British Government closer support in drawing up a list of strategic goods to be part of an embargo against the Soviet Union because of the occupation of Afghanistan.

Mr. Luther H. Hodges Jr., the U.S. Deputy Secretary of Commerce, made this clear at a press conference in London yesterday. Mr. Hodges, who arrived for a three-day visit from Saudi Arabia on Tuesday, will be going on to Brussels with this similar mission of seeking allies for the U.S. economic pressure on the Soviet Union.

This topic will figure in discussions today with Mr. Cecil Parkinson, Minister of State with responsibility for Trade. But Mr. Hodges said that the U.S. list of strategic goods would not be ready for one month. At this stage, the U.S. was only informing its allies about what it was going to do with or without their support, but with the hope that this would be forthcoming.

Another important topic for discussion will be the recent reorganisation of the U.S. governmental handling of trade. Previously, exports were handled by the Department of Commerce, imports by the Treasury, overseas representation by attaches of the State Department, and the overall development of policy and negotiations by another specialised office. Now these have all been amalgamated within the Department of Commerce, and Mr. Hodges will be explaining to Mr. Parkinson how this new system works.

The visit of Mr. Hodges to Saudi Arabia was an indication of the motives behind this reorganisation. He emphasised that the U.S. had, particularly as a result of its increasing dependence on imported oil, somewhat belatedly realised that business had to be sought abroad.

He went to attend the opening of the largest ever construction exhibition in the Middle East currently being held in Jeddah. More than 600 companies are represented there, of whom 144 are from the U.S. Britain has more than 220 exhibitors. But the important point is that this was the first time that the U.S. Department of Commerce has given joint venture support for exhibitors by U.S. concerns.

Mr. Hodges said that it was now U.S. policy to give more active support both in finance and information, in helping to effect contacts particularly for smaller U.S. business organisations. This was one of the main reasons for the Commerce Department's support for the Jeddah Fair, which is organised by Fairs and Exhibitions of Britain in conjunction with Al-Harithy Company of Jeddah.

U.S. bilateral trade with Saudi Arabia amounts to $13bn a year, and there have been reports that the U.S. has been slipping badly in the winning of construction contracts, even though overall the U.S. share of the Saudi market amounts to about one fifth.

With the next Saudi five-year development plan due to be published about the middle of this year, Mr. Hodges saw the main opportunities for the smaller U.S. companies lying in the sectors of machinery, petro-chemical-related plant, and in joint ventures connected with maintaining the infrastructure already in place.

● The British Trade Secretary, Mr. John Nott, arrived yesterday to discuss expanded trade and economic relations between Britain and South Korea, Reuter reports from Seoul. He is due to hold talks with Mr. Chung Chea-Suk, the Commerce and Industry Minister, and will call on President Choi Kyu-Hah, and Prime Minister Shin Hyun-Hwak.

Hitachi sells robots in Europe

BY RICHARD C. HANSON IN TOKYO

HITACHI, a leading maker of electric machinery, is to expand its industrial robot sales overseas. The company has agreed to sell robots capable of spray painting, through Durr, a West German painting equipment company, in the European market.

Hitachi expects eventually to be able to ship 60 units a year to Durr (one standard unit costs about Y19m (£35,381)). Shipments are to start in the latter half of the year after a formal agreement is signed.

The robot involved was developed jointly with Nihon Parkerizing, a leading paint equipment maker, in 1977. Parkerizing already has ties with the West German company.

Late last year, Hitachi had only sold 20 of the spray paint robots. This year, however, it plans to ship three or four units a month.

Hitachi is also expanding its production of the two other types of industrial robot it now has available. It has a backlog of orders for arc welding robots of 30 units, and expects to ship about five units per month this year. Figures on the company's general purpose robot are not disclosed, but this week Hitachi announced it had received its first overseas order for such a robot. The Bulgarian company, Technika, has ordered one general purpose robot which it plans to use as a welder. Hitachi said the Bulgarians also are seeking technical assistance on robots.

UK company wins £3.3m China order

By Our World Trade Staff

BORN INTERNATIONAL of Brighton has won a £3.3m contract to supply direct-fired furnaces to two petrochemical plants being built in China. The contract was awarded by Lurgi Kohle und Mineraloltechnik, the West German process plant contractors responsible for the two projects, being built in Nanking and Shanghai.

The projects have been commissioned by the China National Technical Import Corporation.

Born won the award against competition from eight other European companies. All the equipment covered by the contract is to be designed, manufactured and shipped within 14 months.

● RPC Technical Services, Seltrust Engineering, and Société des Ciments Français have signed an agreement with the Development Bank of the Philippines in Manila to provide general consultancy services to the Philippines Cement Industry Authority.

News analysis ● John Lloyd examines the growing videodisc market

Competition becomes fiercer

THE JOSTLING to be first off the line in the videodisc market grows fiercer by the month. Videodiscs will bring cheap recorded TV material and films into the home—and the business. The market is estimated at $3bn by 1985 in the U.S. alone.

Earlier this week, Matsushita and the Japanese Victor Company announced they would henceforth develop and market a common disc system, the video high density, or VHD.

That was apparently unsurprising, since JVC is a financial subsidiary of Matsushita—but the companies operate very separately, and both had pursued separate developments. VHD won out.

Matsushita is now trying hard to convince other manufacturers, especially other Japanese, that it is best. There are three developments from which they can choose.

First on the market—it is now being test-sold in selected areas in the U.S.—is the Philips/MCA system, which uses a laser beam projected on to a groove-less disc. Philips is reaping the rewards of being first, with so far few of the setbacks.

It has licensed it to the Japanese companies Pioneer, Sharp and Trio-Kenward—Pioneer is already pushing it in the U.S. industrial market.

More important, IBM has taken a 50 per cent stake in MCA, presumably to keep its finger on this new method of information storage (though some think IBM may be entering the consumer electronics scene).

Further, the major companies of Hitachi and Toshiba are thought to have chosen the laser route for their own research (and may produce a compatible system, or even licence Philips).

As a clincher Sony, one of the most successful of all consumer electronics companies, has signed a technical agreement with Philips and appears likely to licence its disc.

Philips reckons it will have the U.S. market covered by the end of this year, and will make the European launch in the UK in 1981. It is sinking some £10m in a disc-making plant in Blackburn, while its plant at Hasselt, Belgium, is already turning out players in increasing volume. The price of the player is likely to be about £400, and of discs, around £2.50.

RCA was second, and trying hard. It has brought out a groove guided capacitance system—the closest to a conventional long-playing record—and aims for distribution in the U.S. early next year, when it will produce upwards of 200,000 sets.

The company has licensees in Europe and Japan, but all will be waiting to see how the technology moves before making a commitment.

The JVC VHD is the latest to be announced. Technically, it falls nearer the RCA system than the Philips/MCA one. It is described as "electro-tracking capacitance," which means that a metal shoe on a stylus picks up sound and vision from a disc, by a disc without grooves. The needle is kept "on the rails" electronically.

Mr. Kurt Lowy, JVC's chairman in the UK, agrees that Philips is ahead in the licensing stakes, but notes that manufacturers are likely to take out more than one licence. He will not say when a system will be marketed, but claims it will be "very competitively priced" when it does appear.

Though other systems may yet appear, the cost of entry is high. None of the companies will disclose their investments, but most estimates come out near £100m.

Turkey alters fuel import procedures

By Metin Munir in Ankara

THE Turkish Government has decided to allow private enterprise to import its own supplies of fuel and diesel oil, because of difficulties in meeting the country's oil import requirements, and concern about plant shut-downs brought about by severe shortages.

Financing will be through private enterprise's own export earnings and arranged through the expansion of the so-called "export retention scheme."

The Government has decreed that industrialists, who are allowed to retain 50 per cent of their export proceeds to finance their import requirements, can henceforth use these funds to import fuel and diesel oil as well.

The first in a series of articles in which **Brij Khindaria** in Geneva examines the main codes negotiated during the Tokyo Round of multilateral trade negotiations.

Subsidies and countervailing duties

THE MOST important code agreed in the Tokyo Round negotiations deals with subsidies and countervailing duties. The code is also likely to prove the most controversial in application and enters uncharted areas of world trade law.

The code expands and clarifies the interpretation of Articles 6, 16, and 23 of the existing General Agreement on Tariffs and Trade (GATT) which predates the Tokyo Round package formally concluded in Geneva last month. These GATT articles allow the imposition of countervailing duties against imports where it can be shown that they have benefited from a subsidy.

The existing articles failed to satisfy either the EEC or the U.S. As a result the negotiations for the new code were among the most difficult between the U.S. and EEC in the Tokyo Round. In the end both sides claimed victory but trade and legal experts here say it is much too early to assess the code's effectiveness.

Negotiations for the code took on disproportionate importance because under U.S. law nearly $500m of Community exports to the U.S. would have become eligible for punitive import duties to countervail alleged export subsidies. In fact no countervailing duties were paid because the law was waived pending the conclusion of the Tokyo Round package. The law has now been modified to include the contents of the Tokyo Round. This, in theory, at least makes it more difficult for the U.S. to impose countervailing duties on subsidised imports.

Previously the law required only proof of subsidy in the exporting countries to justify imposition of countervailing duties. This has now been changed so that countervailing duties can be applied only if "material injury" to domestic producers of similar products is also proven.

U.S. acceptance of the "material injury" concept is the Community's main reason for satisfaction with the new code.

TOKYO ROUND CODES

In addition, it has also persuaded the U.S. Administration to apply certain tight criteria contained in the Tokyo Round code to ascertain the extent of injury to home producers before authorising any countervailing duties.

The code's relevant clause requires "positive evidence" of material injury to domestic industry as well as investigation of the alleged subsidy's nature, its effects on trade, and its impact on home producers.

Criteria to determine injury include investigation to establish whether domestic industry's output has fallen, and whether this fall was caused by subsidised exports from a trading partner—rather than technological developments, low domestic productivity, change in consumption levels, unfavourable investment conditions and high wage levels. Price levels must also be considered to determine whether the imports are undercutting local producers on price.

Investigation of the impact of allegedly subsidised imports on domestic industry must include examination of "all relevant economic factors and indices having bearing on the domestic industry," the code says. The domestic industry in question must also be defined to determine which companies have been hurt and whether they are multinationals.

The Community fought hard to include these criteria in the code because it is now generally recognised that subsidies are here to stay as a part of national economic policy, particularly where depressed regions are concerned. It was, therefore, considered unfair to retain a situation in which the mere use of subsidies allowed the U.S. to impose punitive countervailing duties.

The existing GATT anti-dumping agreement has also been brought into line with the subsidies code. Anti-dumping action may no longer be taken simply because a product is sold abroad for a lower price than that on the home market. Injury to the home industry complaining against alleged dumping must also be proved.

Though U.S. legislation has been altered to take account of the code's contents, there are fresh fears in Europe and Japan, because of changes in the procedures for industry to submit complaints.

The main reason is that the responsibility for investigating complaints has been shifted to the Commerce Department from the Treasury. Exporters in the EEC and Japan fear that the Commerce Department will be especially susceptible to pressure from U.S. industry. However, it is still too early to assess whether this is the case.

The new U.S. legislation has also streamlined procedures for handling complaints. As a result clear cut cases of material injury are likely to quickly result in application of countervailing duties. There is still considerable concern over how the U.S. will in practice interpret material injury despite EEC intervention during the drafting of the U.S. legislation.

The chief gains for the U.S. in the new code stem from more precise definition of what constitutes a subsidy, and the inclusion of some agricultural sector products in the curbs on subsidies laid down by the code. However, the code does not stipulate any blanket ban on the use of subsidies.

Instead, its signatories simply agree as a general rule to avoid using export subsidies in any form, where they affect the market shares of trading partners or cause export prices to fall below home prices for similar goods.

The clause on domestic subsidies is a reason for American satisfaction with the code. The U.S. has long argued that domestic subsidies given routinely by the EEC, particularly as part of the Common Agricultural Policy, reduce the market share for American exporters. Nevertheless, the code still recognises the need for subsidies for depressed regions and other similar internal subsidies.

The code also lays down consultation and dispute settlement procedures, particularly where a case for imposing countervailing duties cannot be easily made. One such instance would be where subsidies are used to stimulate manufacture of products which replace imports or harm an exporting country's interests in a foreign market.

Building society says receipts are still low

BY TIM DICKSON

SAVERS are still not being tempted by the record level of building society deposit rates, judging by the experience of the Abbey National, Britain's second largest society.

Mr. Clive Thornton, chief general manager of the Abbey, said yesterday that January was proving another poor month for receipts.

Announcing the society's 1979 results, he said: "The pattern so far is not encouraging. The figures are no better than December's. This means that we are taking in half what we would expect at this time of year."

In December societies as a whole took in about £161m—only about a third of what is needed to meet mortgage demand. This was despite an increase in the Building Societies Association recommended investment rate from 8.75 per cent net to 10.5 per cent net on December 1.

Mr. Thornton endorsed the widely held view among building society managers that Minimum Lending Rate would need to come down by about 3 per cent from its present level of 17 per cent before a cut in the mortgage rate would be likely.

Meanwhile, Sir Campbell Adamson, chairman of the Abbey National, struck a cautiously optimistic note in his observations on the future. After warning that societies will need to be more competitive, he said he does not "share the pessimism of those who foresee interest rates rising even further or remaining at their present levels for many months to come." On the other hand, societies will need to judge their next change very carefully.

Sir Campbell pointed out that the Abbey is a loyal supporter of BSA recommendations but nevertheless will keep its rate structure under review.

Figures published by the Abbey show total assets grew 15.9 per cent from £6.25bn to £7.25bn in 1979. Gross receipts (including interest credited) grew from £2.9m to £3.6m. The number of new loans fell sharply from 125,914 to 107,849.

Sir Campbell explained that the lower number was a result of higher house prices requiring higher average advances.

The Abbey National's liquidity ratio increased from 17.53 per cent to 17.6 per cent. The reserve ratio fell from 3.76 per cent to 3.68 per cent.

British Gas close to loss on domestic sales, says Howell

BY RAY DAFTER, ENERGY EDITOR

BRITISH GAS Corporation is close to losing money on its sale of fuel to domestic customers, Mr. David Howell, Energy Secretary, said yesterday.

Defending the planned big price rises over the next three years, Mr. Howell pointed out that a decade ago domestic sales accounted for half of British Gas's profits. Now they made no contribution.

"I do not see how anyone can responsibly argue that this patently uncommercial arrangement should continue and British Gas is right in not wanting to," he told members of the Confederation of Registered Gas Installers at a lunch in London.

Mr. Howell has told the corporation to raise domestic prices by 17 per cent in April, another 10 per cent in October and by an amount equivalent to 10 per cent above the inflation rate over the following two years. The pace of these increases in faster than British Gas had advocated.

Even with the proposed increases the corporation would make a return of only 2.5 per cent on turnover for domestic sales. It would be three years before domestic gas again made a "realistic contribution" towards financial targets.

"When supplies of energy worldwide are so tight when the price of oil and the cost of new gas from the North Sea are so high and when the need to conserve energy is so great, it makes no sense at all to be selling domestic gas at rock-bottom prices and at zero profit," Mr. Howell said.

He yesterday also discussed energy pricing policies with Mr. Bjartmar Gjerde, the Norwegian Minister of Petroleum and Energy, at the start of a three-day visit to the UK by Mr. Gjerde.

It is understood that Mr. Howell emphasised the need for North Sea oil and gas resources to be priced at world market levels. However, it was equally important that North Sea producers did not act as price leaders, contributing to crude-oil price spirals.

● The value of Britain's North Sea oil reserves has risen to £350bn, Mr. Hamish Gray, Minister of State for Energy, said in a Commons written reply. In 1979 the value was £250bn and in 1978 it was £200bn. Higher fuel prices have also increased the value of UK natural gas reserves, to around £170bn, he said.

Phone devices will help disabled

BY JOHN LLOYD

THE Post Office, facing some criticism for neglecting consumers, displayed a lively concern for some of them yesterday when it revealed a comprehensive range of aids for the handicapped.

The corporation spends between £500,000 and £1m a year on developing a number of ingenious telephone aids, all of which are operated on a non-profit basis.

A number of new facilities will be introduced this summer. The most complex is a mechanism which fits over a payphone and enables severely handicapped people, including those confined to a wheelchair, to put money in the slots.

Another is a telephone held on a flexible stalk. This can be plugged directly into a box on which there is a button which, when pressed, automatically calls for operator assistance.

The third new feature is a finger guide for push-button phones, which enables those with muscular problems to guide their hands to the correct keys.

The Post Office is among the world leaders in the field, and has recently extended its range of services by adopting developments from abroad, while licensing its own techniques to other authorities.

Mr. Frank Lawson, the Post Office's director of domestic and customer services, said he expected that investment in telephone aids would continue to increase, and would be unlikely to be seriously affected by public expenditure cuts. The corporation funds all of these developments itself.

Rolls-Royce wins £60m Jumbo engine orders

BY LYNTON McLAIN

ROLLS-ROYCE has won £60m worth of new orders for its RB211 turbofan engine from Qantas, the Australian national airline, and from Hong Kong-based Cathay Pacific.

Both airlines have chosen the engines to power new Boeing 747 Jumbo jets—five for Qantas and one for Cathay Pacific.

The Qantas aircraft are to be delivered by the end of 1981. Rolls-Royce hopes to recruit more skilled workers for its plant at Derby to help meet production.

The latest orders for the RB211 brings the total value of business won by Rolls-Royce this month to more than £180m. The other orders were from Saudi Arabian Airlines, Alia—the Jordanian airline—and from Transworld Airlines of the U.S.

● An explosion in the Rolls-Royce section of a British Aerospace works at Hatfield yesterday killed one man and injured two.

Police believe that a gas cylinder had exploded.

The victims were all outside roofing contractors and were working on the building when it was destroyed by the blast.

The explosion was well away from helicopter engine test beds which were unaffected. Rolls-Royce ruled out any connection with the Gnome engines being tested for the Sea King helicopters.

Rolls-Royce leases the site from British Aerospace dynamics division which carries out missile development nearby.

Imports of plastics rise to meet demand

BY SUE CAMERON, CHEMICALS CORRESPONDENT

THE CONSUMPTION of plastics in the UK rose by 7 per cent last year—but nearly all the increase was met by imports.

That was the finding of a survey of plastics materials by European Plastics News. It found that "all plastics producers were pleased with the demand during 1979, particularly as prices were generally much more realistic and market discipline distinctly more positive than in 1978." But in the UK output "virtually stood still and the vast majority of market expansion was taken up by imported material."

Prices of plastics materials increased by as much as 50 per cent last year after the dramatic rise in feedstock costs which resulted from the oil crisis.

Prospects for this year were "not particularly promising," with a general downturn in the economy expected to be the main depressing factor. Many plastics manufacturers felt there had been a considerable building up of stocks last year as customers tried to buy ahead of price rises.

Association for Arab bankers formed

A GROUP of prominent London-based Arab bankers has set up an association to strengthen the existing informal links between Arab bankers throughout the world.

The association, to be called The Arab Bankers Association, is intended to complement the official Union of Arab Banks which is one of the branches of the Arab League.

The two associations will share the same chairman, Mr. Bashir Zuhairi, general manager of the European Arab Bank.

Yesterday, Mr. A. Al-Ahmadi, the administration manager of the new association, explained that it has been formed after meetings between 12 prominent Arab bankers in London.

Invitations to join will be sent to Arab bankers throughout the world in the next few weeks. An initial meeting is planned for mid-February.

The association plans to issue a regular magazine and conduct seminars. It will also provide an information department which it hopes will be used by bankers, both Arab and non-Arab.

Small business 'at disadvantage'

BY JAMES McDONALD

A MAJOR COMPLAINT by small private businesses is that their larger competitors gain discriminatory discounts, over and above normal quantity cost reductions.

This is revealed in a survey of about 1,600 businesses by the Forum of Private Business, which represents owners of private enterprises.

The survey showed that 24 per cent of those questioned were affected by "predatory" pricing.

"The problem is that small businesses frequently find it difficult to trade competitively because their larger competitors temporarily sell at a loss to squeeze them out of the market," says Mr. Stanley Mendham, chief executive of the Forum.

A complaint by 21 per cent of those questioned is that their orders are refused because they stock competitive products from another supplier or because the supplier is already dealing with one of their competitors.

Ombudsman cuts reports and saves on printing

BY ROBIN PAULEY

THE Parliamentary Ombudsman—the Commissioner for Administration—is cutting the costs of his department by not publishing the reports of every issue he investigates.

In his fourth report the Ombudsman, Mr. Cecil Clothier, QC, says: "Publication has not sufficient advantages for Parliament or for the general public to justify the cost."

The cost of the Commissioner's office, which also acts as the Ombudsman for the Health Service, is about £1m per year.

The main area of saving will be in the reduced printing costs if not every issue is published. In 1978 the Commissioner investigated and reported on 343 cases as Parliamentary Commissioner and rejected 927 as being outside his jurisdiction. As Health Service Commissioner he investigated and reported on 118 cases and rejected 574.

In the latest report the Lord Chancellor's Department is criticised for being "defensive, selective and unapologetic" over a mistake which caused an innocent man to be refused credit. The case involved a county court record of the wrong address for two debtors.

In another case the Ombudsman criticises the Department of Health and Social Security for being "inadequate and unimaginative" in replacing a withdrawn child benefit order book.

Coutts bank headquarters wins award

COUTTS' NEW headquarters, which once threatened a Nash building in London's Strand known for its "pepperpot" towers, has won an award from the Business and Industry Panel for the Environment.

The bank's original scheme raised controversy because it threatened the Nash building. But the new offices have been blended into the original façade.

The judges said the company "adapted a difficult site, and made an outstanding contribution to conservation."

The other winners of the top awards are the new Kodak factory at Annesley, Nottinghamshire; the Central Electricity Generating Board's headquarters at Bristol; and the head offices of J. C. Bamford Excavators at Rocester, Staffordshire.

Constitutional talks on Ulster halted

BY STEWART DALBY IN BELFAST

THE CONSTITUTIONAL conference on Northern Ireland halted for a further recess yesterday, with the main Catholic group, the Social Democratic and Labour Party, declining to discuss the items on the agenda. This was whether Northern Ireland should under new governmental arrangements have legislative and executive powers or merely executive powers.

With an embargo on discussion with the Press about what happened in the conference, it is assumed that the SDLP is employing a delaying tactic to see whether the question of power sharing will be discussed when the conference resumes next Monday.

This was the second day on which SDLP declined to discuss items on the agenda of the new conference. It has already agreed to attend a set of parallel talks where the contentious issues of security and Irish unity will be discussed. It seems, however, that this second set of talks will not start until February.

Meanwhile the Rev. Ian Paisley, the main Unionist delegate, said yesterday that he had sought assurance from Mr. Humphrey Atkins, the Northern Ireland Secretary, that Irish unity would not be the subject of discussion at the main conference.

He was reacting to a statement by Mr. Seamus Mallon, the deputy-leader of the SDLP, who said that it has become obvious that the problems of Northern Ireland could only be solved through joint action by the Irish and British Governments.

Mr. Paisley said that after talks with Mr. Atkins, the Secretary of State had authorised him to say that there was no question of the Irish dimension being discussed at the main conference and that Mr. Atkins had no plans to meet ministers of the Dublin Government in the foreseeable future.

Art gives richer return than the share market

BY TIM DICKSON

INVESTMENT in art over the past 20 years has generally yielded higher returns than shares bought in London or on Wall Street.

This is the main conclusion of Art As Investment,* a special report by the Economist Intelligence Unit published yesterday.

The unit stresses that its conclusions, drawn from a sample of 182 transactions in pictures, books and objects of art, must be tentative. The sample consists of objects sold at major auctions in the UK or U.S. at least twice between 1960 and 1979.

The findings show that 69 per cent of these transactions brought a better return than could have been earned from industrial shares; 3 per cent broke even, which is defined as showing an improvement on share earnings of 10 per cent or less; while in 28 per cent of the cases "the works of art were not as financially rewarding as shares on average might have proved."

Within the various categories, modern paintings, prints and books showed the clearest advantage over the stock markets. The most dramatic gain was where a work by Magritte bought in 1961 and sold in 1979 showed an increase of 4,652 per cent over the period.

Price £30 from the EIU, Spencer House, 27 St. James's Place, London SW1 1NT.

Single-stone diamond ring fetches £23,000

RATHER surprisingly, Christie's sale of jewels yesterday did not suggest any dramatic rise in prices compared with the autumn season, apart from the £23,000 paid by Seymour, the London dealer, for a single-stone diamond ring, the diamond weighing 4.89 carats. It had been estimated at £10,000-£12,000.

As usual, jewels with known makers did well. An art deco ruby-and-diamond set brooch, designed in the form of a gondola by Janesich, was bought by Arwas, the London dealer, for £5,000, almost three times its forecast. A set of five ruby-and-diamond cluster buttons made £12,000, and an art deco diamond-and-sapphire bracelet £9,000.

Christie's announced yesterday that it was upgrading its offices in Paris, Amsterdam, Brussels and Rome by putting in senior staff.

Mr. Douglas Ralphs, company secretary for nearly 20 years, will administer European operations from Brussels, and Mr. Anthony du Boulay has been appointed director of Fine Arts, Europe, based in Paris.

A modest sale of modern British paintings at Sotheby's totalled £41,387, with a low 5.03 per cent bought in.

A portrait of Lady Kemsley by Satemayor made £3,000, an astonishing price. It was estimated at just £40-£80, but two bidders were determined to acquire it and fought each other to this very high sum.

Frost and Reed gave £1,500 for "Roses," by Cecil Kennedy, while the Victoria and Albert Museum paid £850 for a set of three bronzes of Sir Thomas Beecham by David Wynne.

The gold-and-silver boom was apparent in Sotheby's coin sale, which totalled £103,574. Two gold 20 U.S. dollars of 1904 went for £720, over twice their forecast, because they were made of gold rather than because of any historical or artistic merit.

Another 20 dollars fetched £360. In contrast the U.S. half dime of 1795 which sold for £3,700 will not be melted down, nor will the Charles II gold two guineas of 1681, which made £2,600.

The Robson Lowe stamp sale totalled £85,837. A Malta 1919 MCA 10s corner copy mint was bought for £3,250, and a Rhodesia 1910-13 double head £1 for £2,500.

SALEROOM

BY ANTONY THORNCROFT

Doctors' rule book published

THE British Medical Association is making its ethical advice and guidance available to the public for the first time in its 148-year history. Its new ethical handbook goes on sale today.

Dr. Mike Thomas, chairman of the Ethical Committee, said: "I believe this book will be widely read, not just by the profession, but by the general public, who will I hope gain a greater understanding of the principles governing doctors' behaviour."

Marine survey office for oil

TO MEET the demands imposed by the increased oil related traffic in the area, the Department of Trade has opened an additional marine survey office in Lerwick, Shetland.

The office comes under the East of Scotland district office at Aberdeen and in charge is Captain Brian McAree, senior nautical surveyor, who was previously at Milford Haven.

Call for faster approval of science awards

BY DAVID FISHLOCK, SCIENCE EDITOR

THE co-operative awards in science and engineering scheme for funding postgraduate research students is sound and turns out well-qualified students, an independent report commissioned by the Science Research Council has concluded.

The council is urged to speed its procedures for approving CASE research projects, and to be more open about its methods.

The study of the CASE scheme was by Miss Janet Langdon of Shell International at the request of Sir Geoffrey Allen, chairman of the Science Research Council, when the scheme had been operating for ten years.

CASE awards account for about a third of all postgraduates funded by the Council. The scheme is one in which an industrial partner collaborates closely with the student's academic supervisor, and the student must spend at least three months working on the premises of the industrial partner.

The council admits that though it has no difficulty in finding good research projects it has had increasing problems in finding enough engineering students. In this academic year it has made CASE awards to only two-thirds of the engineering students it had hoped for.

Some recommendations of Miss Langdon's report, already accepted by the council, should make the CASE scheme more attractive, Sir Geoffrey believes. New procedures for approving projects and nominating students "should encourage students to commit themselves to CASE projects, and should reduce considerably the lead time between conception of a project and the start of work."

Miss Langdon's report stresses that former prejudices that CASE awards were inferior to other kinds of postgraduate award made by the Science Research Council were "vanishing fast."

SRC co-operative awards in science and engineering: a study. By Janet Langdon, Science Research Council, P.O. Box 18, Swindon, SN2 1ET. No charge.

Writ for $1.26m to be defended

SOLICITORS for Mr. Roland Pardo and London and Continental (Insurance and Reinsurance) Brokers have announced that their clients will vigorously defend the $1.26m action brought by Stewart Wrightson (Marine), the insurance brokers.

They have entered an appearance to the writ.

Aluminium prices to go up by 6%

By Maurice Samuelson

BRITISH ALUMINIUM yesterday announced its second price increase in three months. Primary aluminium ingots will cost £815 a tonne from February 4.

This is 6 per cent more than in November and 16.3 per cent higher than before last June, when it was £701 a tonne.

Premiums for billet and high purity metal will be increased from the same date.

Two weeks later, semi-fabricated aluminium will go up by 8 per cent and aluminium foil is also expected to cost more.

The company blames the increase on "severe pressure" on costs, especially of electricity used in its smelters. It also says it is trying to restore profit margins to "a more satisfactory" level.

Alcan, the other chief producer in the UK, has also just raised prices—to £810 a tonne from February 1.

However, prices in Britain are still slightly below average prices in France (£821 a tonne) and Italy (£866). Germany's average price is expected to rise to £818 from the present £767 a tonne.

Investment in coal 'paying off'—Ezra

BY MARTIN DICKSON, ENERGY CORRESPONDENT

PRODUCTIVITY AT Britain's coal mines has shown a healthy improvement in recent months and the industry is on target to achieve its goal of 108m tonnes of deep-mined output this financial year, Sir Derek Ezra, chairman of the National Coal Board, said yesterday.

He said coal was one of the brightest spots in the economy. The industry was beginning to reap the rewards of the major investment programme embarked on after the 1973-74 quadrupling of oil prices. Many reconstruction schemes at older pits were on stream and beginning to pay off with more coal and bigger bonuses for miners.

"Along with this steady improvement in the performance of the mines, I detect a strengthening of morale in our people," Sir Derek told miners at Markham Main colliery, Doncaster. "Following the recent wage agreement, attendance at work is better than for many years and productivity over the past few months has shown a healthy improvemnt."

Since November output per manshift at the coalface had topped the nine tonnes a shift average several times, a level never achieved before.

Output so far in the current financial year was over 1.7m tonnes greater than in the equivalent period of 1978-79. An upward trend in production last autumn had continued strongly into the new year.

"Barring freeze-ups or other factors beyond our control, we ought to finish our financial year at the end of March with a deep-mined output of more than 108m tonnes—a 3 per cent increase on last year."

Sir Derek said there was a strong demand from nearly all the coal industry's markets, with the exception of the steel sector. Deliveries to power stations should exceed 75m tonnes in the year to March.

Domestic demand was strong and likely to increase, with sales of solid fuel heating appliances up 4.5 per cent on last year. Commercial organisations were switching to coal as pressure on oil prices continued.

His remarks reflect a growing optimism in the industry that the downward trend in output which has characterised the mining sector for nearly 20 years may be reversing as the major new investments of recent years set coal on an expansionary path.

£112m modernisation for four Barnsley pits

THE NATIONAL Coal Board has approved a £112m modernisation of production at four collieries in the Barnsley area, writes Martin Dickson.

This major injection of capital will enable the mines' coal to be brought to the surface at a single preparation plant at Grimethorpe. The four pits — Grimethorpe, Houghton Main, Darfield Main and Burrow/Barnsley Main—have a combined output of 3m tonnes a year.

The development is the final part of a £350m scheme to carry output from 18 collieries in the Barnsley area to three computerised central handling points. There the coal can be prepared for steel, power or industrial markets. The NCB hopes that the plants will help it make further inroads into the industrial market as manufacturers switch from oil to coal.

The scheme should give the Barnsley area one of the highest productivity rates in the country. Mr. John Kiers, the area director, said it should also represent a £52m a year improvement in Barnsley mines' financial performance in current terms.

About £14m of the £112m will be spent on developing new seams at 120-year-old Darfield Main colliery. The seams currently exploited are near exhaustion.

A further £14m will be used to rehabilitate Barnsley Main colliery, which was closed in 1966. This mine will take over production from nearby Barrow colliery.

The four southern pits will be linked by an underground network of roads requiring 8 miles of tunnelling work. Their output will be brought up to the Grimethorpe treatment plant along a new surface drift. The project is scheduled for completion in 1983.

British visits to U.S. up 60%

BY ARTHUR SANDLES

LATEST Government figures show a rise of 60 per cent in British visits to the U.S. in the high-season third quarter of last year.

About 449,000 British residents visited North America, including Canada, in June, July and August, most going to the U.S. North America thus brought its share of the UK travel market up to 7 per cent, compared with 5½ per cent in the same three months of 1978.

Though the U.S. was the main beneficiary, other areas saw impressive rises. "Visits to France and West Germany showed notable increases," says the Department of Trade.

The Department says that the rise in U.S. traffic "is due probably to the relative weakness of the dollar and cheaper air fares."

But, it adds ominously, "the weaker dollar is also likely to have been a contributing factor in the fall of the number of U.S. visitors to the UK."

There were 839,000 North American visitors to the UK in the third quarter of last year, a fall from the 1978 figure of 1.024m.

Overall the number of visitors in the third quarter was 2 per cent below the 1978 level at 4.95m. Earnings were slightly up at just over £1bn, but in real terms there was a fall.

Fortunately for the tourist account, the British spend far less abroad than foreigners do in Britain, so the UK is still in credit, though the amount is falling.

British visitors abroad spent £854m.

Appliance imports grow as exports fell in 1979

BY JOHN LLOYD

IMPORT PENETRATION into the electrical appliance market in the UK continues to grow, while exports of electrical appliances are falling, according to the latest progress report from the industry's sector working party of the National Economic Development Council.

There was some recovery since 1978 but it was hindered by the engineering strike in the latter half of 1979 and by strong price competition from imported appliances.

The report says that in exports, "although it must be stressed that the UK industry remains strong in some products, ground is still being lost, not won."

Productivity "has been seen increasingly as the central issue affecting the industry's future, although up to the present very little change in performance has been evident."

The toughest competition has come from Italian appliances. The report says the Italian industry shows lower unit costs obtained through high capacity utilisation, low labour costs—but not low wage rates—and a generally low level of overheads.

On individual appliances, the report notes:

- The automatic washing machine market remained strong in 1979, 10 per cent up on previous years. Imports declined. Italian imports still ran very high (£51m in 1978). The average price of an Italian machine is £99, compared to £150 for a UK machine.
- The tumble dryer market is growing, as are exports.
- The refrigeration market — one-door refrigerators, fridge-freezers and freezers — was slightly up in 1979 on the previous years, with import penetration also higher. Fridge freezers are taking 40 per cent of this sector (up from 15 per cent in 1974). Imports are down from the peak level of 78 per cent but, at 70 per cent, remain high.
- The electric cooker market is growing slowly. Imports represent one-quarter of the fast growing "built-in" market.
- The vacuum cleaner market rose 13 per cent in 1979, most of that growth being taken by imports. Exports declined 15 per cent.
- The small appliance market — grillers/roasters, toasters, food mixers, hair dryers and irons—is also growing, with heavy and increasing import penetration.

The report recommends a "more wholehearted and consistent effort" in the export market, together with greater attention to productivity.

The report says the openness of the UK market has encouraged selling by foreign companies at uneconomic levels. "The Government has indicated that, in the case of the latter, where sound evidence is shown it is prepared to act quickly to prevent damage to UK industry."

Rise in rates 'to be 26%'

BY ROBIN PAULEY

RATE INCREASES this year will average 26 per cent, according to an analysis of the rate support grant by the Government sponsored Centre for Environmental Studies.

This is higher than the expected rate of inflation—currently running at 17.2 per cent—and higher than the average rate level hoped for by Mr. Michael Heseltine, the Environment Secretary.

He did not announce publicly any target figure but it was clear he was aiming for an average rate increase of about 14.5 per cent.

The centre's review says that local authorities have to levy higher rates because they will be unable to cut back spending as quickly as the Government would like—by 6 per cent in this financial year and by a further 1 per cent in 1980-81.

And when the Government calculated its rate support grant in November it allowed only a cash limit provision of 13 per cent to cover wage and price increases—a considerable under-estimate.

Also the Government figures did not take account of the November increase in interest rates nor the likelihood of these remaining at a high level for some time.

Extra cost

The result, according to the centre's analysis, is that local authorities will face extra costs of £60m, after grant, for items on which grant is not wholly cash limited—particularly debt charges and rate fund contributions to housing revenue accounts. These costs are largely determined by prevailing interest rates.

The centre predicts wide variation in rate increases from authority to authority according to increase in spending planned and the extent to which expenditure is financed from balances.

The report predicts an average level of financing from balances of 1 per cent. It forecasts that about 10 per cent of authorities will hold less than 2.5 per cent of this year's planned expenditure in balances while nearly 1 in 6 will hold more than 10 per cent.

Assuming an average of 5 per cent of spending to be a desirable level to hold in blances, those authorities with below 2.5 to 3.5 per cent can be expected to budget to add to them. Those with balances of more than 6 to 7 per cent will be able to draw on them.

Building industry makes plea on cuts

By Michael Cassell

THE GOVERNMENT has been urged to protect the construction industry from any further round of public expenditure cuts which may be planned.

A delegation from the National Federation of Building Trades Employers and the Federation of Civil Engineering Contractors met Mr. John Stanley, Minister for Housing and Construction, to voice concern over suggestions that more cuts were on the way and that they could again hit capital rather than current expenditure.

The two organisations told Mr. Stanley that they broadly supported the Government's strategy, aimed at curbing inflation and establishing a broad balance between public and private sector expenditure.

But the industry felt heavy spending programmes on basic infrastructure should be maintained and they emphasised that the proportion of gross domestic product spent on building and civil engineering projects within the UK was much lower than in those European countries with more buoyant economies. If cuts had to be made, they should be on current spending, not capital investment.

During the talks, afterwards described by the delegates as "very useful," Mr. Stanley was told that the industry's capacity had been undermined by past spending cuts and that further decline could not be permitted if it was to play a role in the nations economic revival.

British Rail defends safety rules for nuclear loads

BY DAVID FISHLOCK, SCIENCE EDITOR

BRITISH RAIL has staunchly defended its safety practices and emergency procedures for moving loads of highly radio-active nuclear fuel through urban areas.

Mr. William Bradshaw, BR's chief operations manager said more than 250,000 wagon movements a year involve industrial loads classified as dangerous. About 500 involve spent nuclear fuel.

Opponents of nuclear power said recently that BR is endangering people in North London by transporting the spent fuel.

Mr. Bradshaw said dangerous goods are monitored constantly by BR controllers, who always know what a train is carrying and whether it has suffered a mishap.

British Rail has accumulated "lots of experience of railway accidents and the forces released in them." He saw no merit in staging a "worst-possible" railway accident to see what might happen to a spent fuel cask.

Such an accident was staged in the U.S. and a locomotive was driven headlong into a fuel cask. The locomotive was wrecked but the cask remained unscathed.

BR's analysis and assessment of the worst consequences are based on experimental work by the Central Electricity Generating Board, which pays the railways about £1m a year to move fuel from power stations to the Windscale reprocessing factory.

The fuel is moved in 50-ton casks of either forged steel or rolled steel plate, formed into a massive steel box. It is "one of the strongest ever built," according to Mr. Roy Matthews, CEGB director of health and safety. Its lid weighs nine tons and is locked in place with 16 high-tensile steel bolts.

The casks cost more than £250,000 apiece and are tested by the CEGB to a specification drawn up by the International Atomic Energy Agency.

This requires that they withstand a drop from 30 feet to an unyielding surface such as solid rock, without leaking the slightly radio-active water used to keep their contents cool.

They must also withstand a fire which heats the steel to 800 degrees C—bright red heat—for 30 minutes.

In 17 years of nuclear fuel operations BR has moved 4,500 consignments about 1.5m miles. It says it has never had an incident requiring the special nuclear emergency services to be alerted.

No incident on the railways has ever invoked action by the Government's nuclear inspectors, said Mr. Bradshaw.

The Government last year announced a special study by the security services of a possible incident in which a cask of spent fuel is got at by terrorists, perhaps in an attempt to hold a local population to ransom.

The railways were giving "a lot of thought" to moving casks as quickly as possible, and varying routes as much as possible, to reduce the likelihood of terrorist attack, said Mr. Bradshaw.

£7m ICI plant for new fibre

A £7M PLANT has been commissioned by ICI's Mond division at Widness, Cheshire, for the production of Saffil, the company's high-temperature refractory material with applications in the metallurgical, ceramic and petrochemical industries.

The product, an alumina fibre, has been developed over 10 years. The new plant is expected to produce several hundred tonnes this year, and can meet foreseeable growth until the middle of the 1980s.

The product lasts longer than bricks and substantial savings in furnace energy are claimed.

Kawasaki launches nine motorcycle models

BY JOHN GRIFFITHS

KAWASAKI, UK, the fourth largest motorcycle sales company in Britain, yesterday launched nine new or revised models as part of a campaign to lift its share of the UK motorcycle market from 11.5 per cent to 20 per cent by 1983.

The new machines ranged from a 125cc off-road motorcycle to what Kawasaki claims is the first production motorcycle with fuel injection, essentially a further revised version of the Z1000 "superbike" which gave Kawasaki a toehold in Britain in 1974.

Honda remains the UK market leader accounting for 46 per cent of total sales which last year rose nearly a third to 288,000, the highest for 20 years. Suzuki, with about 18 per cent, ranks second and Yamaha, with 16 per cent, third.

Kawasaki has yet to introduce models for the flourishing moped and "step-through," or scooter market, in which other Japanese makers are represented.

The pressure on Kawaskai to move into the bottom end of the market is obvious. Mopeds accounted for the biggest increase in UK sales last year. They rose 60 per cent to nearly 77,000 units and sales are taking off in the U.S., Kawasaki's principal market.

Further additions to the current 36-model range are expected this year. The company said there would be "radical" introductions in 1981.

'Great German taste' was British brew

BY MICHAEL THOMPSON-NOEL

THE CAMPAIGN for Real Ale, CAMRA, has warned lager-drinkers not to trust advertisements for "German-sounding beers," and has called for tougher controls on beer and lager advertising.

A CAMRA complaint to the Advertising Standards Authority about poster ads for Hofmeister lager, which is brewed in Britain by Courage, has been upheld.

CAMRA said that the slogan "The great German taste for the great British thirst," use of a German brand name, and depiction of a bear in German clothing, was intended to give the false impression "that this British-brewed beverage was in fact German."

In upholding the complaint, the ASA said: "The advertisement so emphasised the German character of the lager that the impression could be gained that the lager was imported, rather than brewed in the UK."

Future poster advertisements are to include a qualifying clause, already used by Courage on Hofmeister cans, stating that the drink is brewed in Britain under agreement with Henninger Brau of Frankfurt, West Germany. Its omission from the poster advertisements, said Courage, was "pure oversight."

CAMRA says it is pursuing its attack on this type of advertising by referring the Hofmeister television commercials to the Independent Broadcasting Authority, and by asking the ASA to consider Whitbread's promotion of its new Heldenbran brand.

- In its monthly case report, published yesterday, the ASA upheld a complaint against Jeep (UK). An advertisement had claimed that Jeep was the "first four-wheel-drive production vehicle ever," whereas the Nash Quad model 4017A was in production from 1918 to 1928. The advertisement was immediately withdrawn.

In the past year the ASA has investigated approximately 1,000 complaints.

Dust in cotton mills needs to be checked

BY RHYS DAVID

THE CONTROL of dust in cotton mills still needs urgent attention if problems of lung disease are to be overcome, a report from the Health and Safety Executive published yesterday says.

The report, by the Factory Inspectorate's cotton national industry group, points out that, despite major technological advances, some 87 new cases of byssinosis—a chronic lung condition associated with dusty conditions—were accepted for industrial benefit from within the industry in 1977.

Every cotton-processing mill, the report says, should carry out dust sampling at annual intervals. The industry should seek more actively to identify processes and machines where improvement in dust control is necessary, discuss such problems with the makers and suppliers and initiate research where appropriate.

Other problems are equally long-standing, the report says. In weaving, the problem of preventing shuttles from "flying"—leaving the loom—has proved almost intractable, though a programme of research was instituted three years ago. There are still accidents caused by one operative starting a machine when another is in a position to be struck or trapped by moving parts.

Cotton and Allied Fibres, Health and Safety, 1971-77, HMSO, £1.

UK NEWS—LABOUR

STEEL STRIKE

Scots dockers block shipments to oil rigs

FINANCIAL TIMES REPORTER

ABERDEEN dockers yesterday agreed to join in the steel dispnte and block shipments nf steel to offshore oilfields.

The action agreed unanimously at a mass meeting includes British Steel products, as well as private and imported steel.

Mr. Mel Keenan, Transport Union Docks official in Aberdeen, said: "A great deal of steel from numerous yards in the form of drill pipes and well casings, moves through the docks. If the oil companies don't have that, it will impede exploration and completion of wells."

Mr. Henry Morrison, manager of Aberdeen Stevedoring, hirers of dock labour sid: "Probably 80 per cent of the oil related cargo we handle would consist of some form of steel goods, mainly pipes of various diameters and drill collars."

Last night the oil industry said the effect of the blacking, even if extended to other ports, wonld take time before it was felt offshore.

BP, which ships its pipes from Dondee, said: "We are not moving much in the way of steel and because of the weather and lack of supply boats, we have tended to hold large stocks offshore.

Conoco, engaged in development work on their Murchison field, and Shell both said last night they were not expecting any early difficulties from the steel blockade.

● TROUBLE flared on picket lines in South Wales yesterday with a policeman injured and pickets accusing police nf brutality.

The policeman was hnrt by a flying brick outside Gowerton Iron and Steel Suppliers near Swansea as pickets tried to prevent lorries leaving and entering the premises. Two men, and another three outside Cashmore's steel stockholders at Risca, near Newport, were arrested.

● AT BSC's divisional headquarters in Cardiff, pickets failed to persuade a group of middle managers to support the strike.

● STRIKE leaders are in the Highlands making plans to stop steel entering nr leaving the Nigg aod Ardersier offshore construction yards.

Pickets' retreat averts plant shut-down

BY MAURICE SAMUELSON

THE IMMEDIATE risk of total stoppage at the British Steel Corporation's Stanton works, in Ilkeston, Derbyshire, receded yesterday following withdrawal of a 400-strong force of pickets.

On Monday, the arrival of pickets from South Wales, Teesside and Corby, Northants., led the company to warn that it would have to lay off its remaining 3,000 workers, in addition to 950 sent home last Friday.

But there were only about 20 pickets at the plant. The only staff on strike are 120 members of the National Uninn of Blastfurnacemen and 20 members of the General and Municipal Workers' Union.

Even so, production is very restricted because no metal is being distributed from the central melting plant which has had to be closed.

BA deal accepted by engineering staff

BY GARETH GRIFFITHS, LABOUR STAFF

BRITISH AIRWAYS' 11,000 engineering and maintenance staff yesterday accepted a pay deal worth 17 per cent on basic consolidated rates and which is likely to he the pace-setter for the rest of the corporation's 33,000 ground ataff.

A mass meeting nf about 4,000 workers at Heathrow Airport voted overwhelmingly to accept the deal. The package will mean lead craftsmen receive increases of £16.19 to £18.57 a week. Holiday entitlement for staff with more than five years' service will he increased from 20 to 23 days a year and holiday bonus payments will he raised threefold.

The settlement, which will be backdated to January 1, has been linked with a 13-point efficiency programme. Talks between BA management and the unions will continue over the programme's implementation and a joint working party is to he set up to look at ways nf introducing a 35-hour working week this year. The present working week is 40 hours.

Pay talks with nther groups of workers are also to be held shortly hut both sides have generally accepted settlements will be around the 17 per cent figure.

Mr. Stanley Havill, secretary of the joint unions committee at Heathrow, said the efficiency clauses of the agreements were bnilt on last year's agreement. The engineering and maintenance staff were keen to introdnce greater efficiency at British Airways, he said.

The engineering and maintenance men are the most powerful group of workers among BA's ground staff and three years ago mounted a damaging strike.

The corporation called its 17 per cent deal a "generous one" and has told its employees that costs are rising rapidly. It has been under increased competitive pressures and has also embarked on an ambitious re-equipment programme worth £2.4bn up to 1988.

There was relief among BA officials last night about the settlement. Mr. John Garton, the company's engineering director, hed already told staff there would be no more money available.

Government denies 14% Civil Service pay curb

BY OUR LABOUR STAFF

THE GOVERNMENT denied yesterday that it had already set a cash limit for the Civil Service which provided for pay increases of 14 per cent in thia round.

Civil Servants have been concerned about a limit being put on their increases, due in April —despite the fact that an independent pay comparability unit is showing rises dne of 18-20 per cent—since disclosure earlier this month nf a confidential Treasury letter on public service pay.

The letter said that pay awards for the public services would he calculated as a 14 per cent annual increase in earnings.

Whitehall officials were quick to say that the letter was heing misinterpreted. Mr. Paul Channnn, Civil Service Minister, tnld the Commons yesterday that no cash limit had yet heen set.

Mr. Ian Wrigglesworth, Opposition Civil Service spokesman, asked Mr. Channon how the Government conld equate a 14 per cent cash limit with the 17-18 per cent that unions originally thought was emerging as the figure due from the Pay Research Unit reports.

Mr. Channon said he could not confirm Mr. Wrigglesworth's figures. The Government has said that it did not intend to set the pay element of the cash limit until after the full results of the unit's exercise had hecome clear.

Civil Service unions this week in a series of meetings of members have been setting the alightly higher target figure of 18-20 per cent which is emerging from the fuller Pay Research Unit findings.

Workers agree to strike ban in 24% deal

WORKERS at a Coventry factory gave a promise of no strikes for 12 months with the signing of a new wage settlement yesterday.

The deal follows long-standing troubles with some redundancies and repeated management warnings about future jobs at the car components plant of Draftex, which makes rubber and plastic seals for doors and hoots.

The no-strike clause is part of a settlement giving a wage and bonus rise worth about 24 per cent. Some employees will get over £100 a week with free overalls.

Afghanistan worries TUC

GRAVE CONCERN was voiced by the TUC general council yesterday at what it described as new threats to peace arising from Soviet military intervention in Afghanistan.

"The action can only harm progress towards detente and give strength to those who seek to justify increasing defence expenditure," it said.

The TUC also rejected the view of Lord Carrington, the Foreign Secretary, that deployment of U.S. Cruise missiles in Britain was necessary for national security.

Post workers put in 8-11% parity claim

BY PHILIP BASSETT, LABOUR STAFF

THE UNION nf Post Office Workers has tabled a claim for increases of 8-11 per cent for 25,000 clerical workers in the postal business to bring them into line with similar staff in telecommunications.

The parity demand is in advance of the main pay claim for the union's 200,000 members in the Post Office. That would normally be under negotiation now, but it is not likely to be submitted immediately since the settlement date was moved in the last deal from January to April.

The 22,750 postal officers and 2,000 postal assistants are seeking parity with clerical officers and clerical assistants in the telecommunications business.

The telecommunications staff won increases of 18-21.7 per cent and 18.6-20 per cent respectively last year after taking part in industrial action by clerical and computer staff.

The UPW claim follows a recent settlement by the Post Office Management Staff Association which secured parity for postal executive grades with those in telecommunications.

The parity claim would take the maximum rate of postal assistants from £65.78 to £71.25 a week, an increase of 8.3 per cent, and the maximum for postal officers from £4,315 to £4.813 a year, an increase of 11.5 per cent.

The UPW, in a letter to the Post Office, says the claim stems directly from a joint study on postal officers' pay. That was set up three years agn amid growing dissatisfaction among clerical staff.

The letter atates: "Since that date the position has not improved to any great extent."

UPW members in the clerical grades claim that they are significantly worse off by staying in the postal husiness. They also call for a revision of incremental scales to give more credit for experience than age.

Both grades normally settle on January 1, but received increases of 3½ per cent as part of the overall UPW settlement last year to move their due date.

NatWest engineers in industrial action ballot

BY NICK GARNETT, LABOUR STAFF

ENGINEERS at a major Natinnal Westminster computer centre in east London are being halloted on industrial action in a dispute over a pay allowance.

The Banking, Insurance and Finance Union, which claims membership of almost all the 90 engineers et the Goodmans Fields management service centre, said yesterday industrial action could disrupt the bank's cheque clearing facilities.

It also warned that engineers in the other English clearing hanks could be involved in action in support of those at National Westminster.

Mr. Keith Jones, the banking union's assistant secretary for technical services staff, said last night an agreement with the hank involved the payment of a £300 allowance to engineers from last April.

The payment, which would be used for calculating overtime and shift payments, was made in respect of special work responsibilities and was to be reviewed this April.

Mr. Jones said the bank had withdrawn the payment and was recouping the allowance payments it had made since July from the engineers' pay packets.

The union says this is a breach of an agreement and has heen trying tn take the issue to the Advisory, Conciliation and Arbitration Service.

The bank said yesterday the dispute was not affecting its services. It did not want to comment further.

The banking union said industrial action could initially involve one day stoppages and the refusal to cover for colleagues absent through sickness and holidays.

Bank staff seek up to 30%

By Nick Garnett, Labour Staff

GENERAL managers of English clearing hanks are receiving details this morning of pay claims from staff associations at Barclays, National Westminster and Lloyds.

The claims seek rises of 20 to 28 per cent for clerical grades one to four and 30 per cent for managerial staff. The spread of rises is in line with the staff association's policy of trying tn improve differentials.

The claim also asks for a threshold agreement linked to cost of living rises or alternatively an agreement from employers to review the salaries again no later than January 1. A settlement for the more than 200,000 staff in the five English clearers is due in April.

The claim from the Banking, Insurance and Finance Union for the same group involves rises of 25 per cent for most grades but slightly more than 30 per cent on the minimum starting salary and for middle ranking cashiers.

The union and the Barclays Group Staff Association have submitted a 30 per cent claim for clearing bank messengers.

They are also seeking a reduction to 18, in the age when adult pay rates come into force, and an increase in service awards from the present 3.7 to 4 per cent of salary.

Move to end town boycott

THE TUC is to write to Scarborough Council asking for its co-operation in a recognition dispnte with local hotels, which has led to a widespread trade union boycott of the town.

Several unions, including the National Graphical Association, the Confederation of Shipbuilding and Engineering Unions, the Women's TUC and the Boilermakers' Society have switched their conferences from Scarborough.

The dispute arises from a recognition claim lodged by the General and Municipal Workers' Union on behalf of members at the Crown Hotel with the Advisory, Conciliation and Arbitration Service.

APPOINTMENTS

Sir Alastair steps down at Burmah

Sir Alastair Down is relinquishing day-to-day executive responsibilities with Burmah Oil, the company he helped to rescue from virtual financial collapse.

Although he will remain chairman of the holding company Burmah Oil Company, he will retire on February 29 from the board of its principal subsidiary, Burmah Oil Trading, which is responsible for the management of the Burmah Group.

Mr. Stanley Wilsoo, currently managing director of Burmah Oil, will become managing director aod chief executive of the Burmah Group, succeeding Sir Alaistair as chairman of Burmah Oil Trading. Mr. Wilson, aged 58, joined Burmah in 1975 from Mobil where be was president of Mobil East Inc. in New York. He had earlier served in London as president of Mobil Europe.

Sir Alaistair, who is aged 66, had been a deputy chairman of British Petroleum between 1969 and January, 1975, when be took over executive responsibilities in troubled Burmah. Three years ago he was also appointed a non-executive director of TRW Inc., a Cleveland (U.S.) based enterprise.

While at Burmah, Sir Alastair has been largely responsible for one of the toughest industrial rescue operations of the last decade. Burmah had been forced close to receivership by serious problems, with its oil tanker interests. During the past five years the group has had to shed many assets, including valuable North Sea holdings. Sir Alastair has said that the disposal of Burmah's North Sea interests was the saddest part of the rescue operation. In total about £865m has been raised through the sale of assets in 17 separate deals.

★

Mr. J. O. Knight has been appointed chairman of FRYMA FABRICS and FAUN. He succeeds Mr. D. S. Stafford who died recently.

★

Mr. Antony R. N. Ratcliff has been elected president of the INSTITUTE OF ACTUARIES in succession to Mr. Peter E. Moody, whose term of office will expire on June 30. Mr. Ratcliff is the chief general manager of Eagle Star Insurance Company and a director of United Dominions Trust.

★

Mr. A. C. Black, actuary and deputy general manager, becomes a director of the LONDON LIFE ASSOCIATION. Sir Leslie Farrer has retired from the Board.

★

M. Jean-Louis A. N. Masurel, previously senior vice-president of Morgan Guaranty Trust in New York, has joined BANQUE DE PARIS ET DES PAYS-BAS in Paris as senior executive vice-president. He is responsible for its national banking division which covers commercial banking business, including real estate activities, and relations with international corporations in France.

★

Mr. Ian Duncan, vice-president and treasurer of Reliance World Trade Company, in London, has been elected an assistant treasurer of RELIANCE GROUP, INCORPORATED, New York, the parent company.

★

Mr. Louis Wolfe has been elected chairman of the Board and chief executive officer of BANTAM BOOKS INC., New York, from February 1. He succeeds Mr. Oscar Dystel who will remain on the Board as an active consultant.

★

At THOMSON McLINTOCK AND CO., chartered accountants, the British member of KMG, Mr. W. C. C. Morrison becomes UK executive partner from April 1. Mr. Morrison, who is presently joint senior partner with Mr. J. L. Kirkpatrick of TMcL in Glasgow and Edinburgh, will be based in London.

★

Mr. James Clarke has been appointed a director of FRANK B. PRICE AND CO. (ROOFINGS). He will be responsible for the establishment and running of the company's new office in Staines, Middlesex.

★

Mr. John F. (Jack) Sandner has been elected chairman of the CHICAGO MERCANTILE EXCHANGE. He succeeds Mr. Laurence M. Rosenberg who served three consecutive years as chairman. Mr. Sandner is president of Rufenacht, Bromagen and Hertz, Inc.

★

Dr. Michael G. Carter has been appointed director of the newly created pharmaceutical division of ROCHE PRODUCTS.

★

Mr. R. W. Wilmer and Dr. D. W. Christie have been appointed directors of MERCK SHARPE AND DOHME, pharmaceutical manufacturers of Hoddesdon, Herts.

★

Mr. Michael A. Robinson has become manager, actuarial department, of the RELIANCE MUTUAL INSURANCE SOCIETY.

★

The building services company in the Ewbank Consulting Group has changed its name to EWBANK DESIGN PARTNERSHIP. Mr. John M. Acton has been appointed the new managing director.

★

Mr. R. C. Coke Wallis, Mr. A. E. Johns, Mr. I. R. McNeil, Mr. M. T. Samuels and Mr. J. M. A. Todd have been appointed to the Board of P-E CONSULTING GROUP, the management consulting arm of P-E International.

★

Mr. R. M. Denny has been appointed a director of REDIFFUSION TELEVISION LTD. Mr. Denny became a member of the executive staff of Rediffusion Limited in 1970 and joined the Board of that company in June, 1974. He was appointed managing director of Rediffusion Limited in August, 1979.

★

Mr. Harold J. Porter, chief fire officer, Cumbria Fire Service, has been appointed one of H.M. Inspectors of Fire Services from April 1. He is currently president of the Institution of Fire Engineers.

Labour vows to end NHS charges

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

AN UNDERTAKING that a future Labour Government would abolish all Netiooal Health Service charges to patients was given in tha Commons yesterday by Mr. Stan Orme, spokesman oo health.

But his promise, made during a dehate on the Royal Commisaion on the NHS, was dismissed as "sheer humbug" by Mr. Patrick Jenkin, Social Services Secretary.

Mr. Jenkin made it clear that the Government rejected the proposal of the commission for the elimination of charges.

He indicated that the Government was still considerlng ways of introducing an element of private health insurance into the system.

Much of the Secretary of State's speech was taken up by a stern lecture aimed at patients who placed an undue weight on the service by consulting doctors for minor ailments. "There should not be a' pill for every ill," he said.

From the Opposition front bench, Mr. Orme told the House: "Charges will be pbased out by a future Labour Goverment. This is our policy and I make this very clear."

Mr. Jenkin immediately intervened to accuse him of being "totally dishonest" and advised him to foce up to the logic of bis own words.

He said that ln the manifesto for the general election of March, 1974, Labonr bad promised to abolish preacription charges but later failed to do so.

In the Octoher, 1974, election, it had said it would freeze dental charges, but in fact raised them severol times.

The party could not go on advocating things in Oppositlon which it failed to carry out in Government.

Replied Mr. Orme: "The introduction of charges by o Labour Government was regrettable. We want to get back to first principles and we will do so. I am makiog that undertaking on behalf of the party I represent."

He also attacked any idea of private bealth insurance being introduced into the system. Under sucb a "free for all," what chance would there be for children, the elderly, dlaabled and the meotally bandicapped? It would be no good the elderly going to BUPA for assistanco.

For the Government, Mr. Jenkin emphasised that demand for health services alwaya exceeded supply. There was no limit to the amount that could be spent on health.

People had been encouraged to believe that they were always entitled as of right to have thelr every bealth expectation promptly and expertly satisfied. That was a sheer impossihility whicb had to be recognised.

Politicians ahould ceaae encouraging tbe public to believe that they could have whatever they wanted whenever they wanted it. Nurses, hospitals and clinics had to be protected from the ever-mounling pressure nf demand which threatened to engulf the service.

Nevertheless, Mr. Jenkin stressed the Governmeot's commitment to mainlain health apeoding at the level laid down in the earlier White Paper.

The Government could encourage individuala to use private health insurance and encourage people and firms to give voluntarily to finance health service projects. But that was not enough.

It was reasonable for the Government, therefore, to examine alternative methods of financing healtb care. He saw considerable advantages to a shift to greater reliance on private insurance.

The Government was investigating the possibility of increasing the iosurance element as a means of financing the NHS, altbougb it would be some little time before he could report on the outcome of this atudy.

Transport policy statement soon

By Lynton McLain

THE GOVERNMENT may soon pnblish a comprehensive transport policy statement, MPs were told yestardey.

Mr. Norman Fowler, Transport Minister, told the first meeting of the select committee on transport that be had started work on a plan for a policy to cover inland transport in Britain.

The statement, however, is likely to embrace only road and rail policy. Mr. Fowler told the MPs on the committee thot "it might be useful to examine if other aspects of transport—domestic air flights, coastal shipping and the inland waterways which are lonked after by other departments—should be brought within the Transport Department."

The difficulties of such a change were likely to be more apparent than real, he added.

● British Rail intends to live within its cash limit, Mr. Fowler told the Commons yesterday.

Mr. Fowler's question time assurance came after Mr. Rohin Cook (Lab Edinburgh Central) had said that British Rail was likely to "go through the ceiling" on its public service obligation grant in the next few months.

Mr. Cook called on tha Government to revise British Rail's ceiling because the only sbort-term alternative was "a sharp increase in fares" at a time wben rail travel should be more attractive to passengers.

Out of the £22m cut in the PSO grant for 1980-81, £13m had been loped off by the previous Labour Government, Mr. Fowler said.

Mr. Gordon Wilson the Scottisb National leader claimed the Scottish area of British Rail was "one of the least reliable and punctnal" because of the "clapped-out locomotives" used there. Investment on BR services in Scotland should be increased and electrification carried out.

Mr. Roger Moate (C Feversham) said there was no justification for freight services running at anything other than a profit.

Whitley Council to be updated

By John Hunt

THE TUC has agreed to enter discussions about improving the machinery for negotiating national wage settlements in the NHS, Mr. Jenkin announced. Other professional bodies would be brought into the consultations.

Mr. Jenkin said the Whitley Council arrangements for NHS wages had worked well bnt the slowness involved had lead to frustration and strife.

He emphasised that if more money was spent on pay it would mean less for medical services—1 per cent on NHS wages would pay for 80,000 patients, 2,000 hospital beds or 6,000 kidney machines.

The Secretary of State told the House that he had decided to contlnne next year the redistribution of resources between the different regions of the service.

Next year, no region would receive an increase in financial allocation of less than 0.3 per cent in real terms. This would enable the poorer regions to get twice as much, an increase of 0.6 per cent.

He rejected the Royal Commission's recommendation that Regional Health Anthorities should be directly accountable to the Commons.

He also turned down the Commission's proposal for an independent inquiry into the problems of the Health Service in London.

The Commission's suggestion that there should be legislation to ensure fluoridation of the water supply, would not be taken up by tbe Government. Mr. Jenkin thought that better resnlts would he obtained by persuasion.

The Government, be announced, would he putting ont a consultative docnment setting ont the options for the size of hospitals needed.

Heath attacks inward-looking Community

BY ELINOR GOODMAN

MR. EDWARD HEATH last night tore into the European Community which he took Britain lnto as Prime Minister and wbich he still supports in principle more fervently than almost any other leading Britisb politician.

The Community, he said, had failed to face up to the problema threatening it and bad ellowed itself to get bogged down in lnternal issues when it should be looking outwards.

Britain's budgetary problem was a case of the Community's inward-looking ottitude, be argued.

Certainly lt was a serinna political and financial problem for tbe whole community. But as a problem it was dwarfed by othera such as tbe continuous and rapid rise ln oli prices and the general international situetion.

In the circumstances, he said, lt was little wonder thet apathy or contempt was a dominanl attitude to the Commnnity in most member states.

Speaking at a Conservative Gronp for Europe reception, Mr. Heath said the Commnnity must turn its ottention singlemindedly to the twin problems of energy and global instability.

World prohlema had become too numerous and complex for the United States to be able to tackle single handed.

Moreover, in this "kaleidoscopic" world, European and American interests could not always coincide.

Europe's importance in preserving world order bad been heigbtened by wbat be called the "mounting restraints on the exercise of American power."

Tho Soviet invasion of Afghanistan, he claimed, had made it more urgent than ever for the Community to play its part in helping resolve the Arab-Israeli dispute as well as the Cyprus and Acgean problems.

This must be part of a broader European strategy to regain for the West the confideoce and the cooperation of the Islamic world.

This, in turn, was a precondition for an effective Western effort to improve the military and economic strengths of this crucial region.

The Community's response to Afghanistan had been confined to little more than empty rbetoric and ecooomic sanctions which would not even pinch, let alone bite.

Unless there was a ehanged attitnde, the next European Council summit would ogain be dominated by internal squabbles wbose dimensions were trivial hy comparison.

Yet the cost of failing to tackle these global problems conld be measured not io hundreds of millions of pounds and thousands of unemployed, but in billions of pounds and millions of unemployed, Mr. Heath said.

Roger Taylor

Mr. Edward Heath

Small businesses need urgent help

TIME was running out for Brilain's small businesses, Baroness Sharples warned the Lords yesterday.

"The matter is now so urgent that there is no time for experimental measures," she said.

The Tory Baroness, who farms in Hampshire and whose husband, the late Sir Richard Sharples, was Governor of Bermoda when he was assassinated in 1973, waa opening a debate oo the problems facing the country's independent businesses.

She seid the UK should adopt the measures "tried and proved successful" in the U.S.

"The time has come for the Government to adjust the fiscal incentives to encourage equity investment in independent businesses which would promote a more stable equity-owning democracy in which every family can look forward to owning an interest in some busioess activity."

She insisted that e body similer to the Small Businesses Administration in the U.S. be set up in this country. The agency had "chenged the whole climate" for independent husinesses in tbe U.S., she added.

And sbe wanted Britain to copy to U.S. way of channelling money into small businesses. U.S. banks lend money to investment companies which in turn provided equity capital to smell busioesses.

In perticular, Lady Sharples wanted tbe law changed so thet companies were again able to buy back their own shares.

A call for e Cabioet Mioister responsible for smell businesses was made by Liberal Lord Byers.

He said the Minister should ensure policies were developed to belp small compenies and that policies of the Treesury and the Department for Employment did not impede their developmeot.

Tories warned not to block Mugabe

BY PHILIP RAWSTORNE

MR. PETER SHORE, Labour's sbadow Foreign Secretary, yesterday issued a warning to the Government against any attempt to bar Mr. Robert Mugabe, leader of the ZANU party, from Rhodesia.

"That would be a disastrous error of judgment," he said in the Commons.

Mr. Shore's warning eame after reports that Mr. Mugabe would be denled entry until he had released 71 detainees being held in Mozambiqoe prisons.

Mr. Richard Luce, Under-Secretary, Foreign Office, confirmed that the Government was pressing Mr. Mugabe and the Mozambique Governmeot for the release of the detainees.

Mr. Mugabe boped to return to Rhodesia very soon, be said.

But if the Lancaster House agreement were to be fulfilled, the detaineea would have to be freed—"I hope he will do so this week," Mr. Luce added.

The Mozambique Government, which was jointly responsible for the detainees, beld in other respects been very co-operative, be said.

Mr. Shore agreed that the prisoners should be freed but asked how many were still being detained inside Rhodesia under martial law.

Mr. Luce replied that 81 detainees had been freed and martial law would end when the Lancaster House agreement was fulfilled.

He angrily rejected allegations by Mr. Alex Lyon (Lab. York) and Mr. Robert Hughes (Lab. Aberdeen N.) thet Lord Soames, the Governor, bad shown "unmistakable bias" against Mr. Mugabe and bis party.

The largest number of incideots reported of infringements of the ceasefire concerned Mr. Mugabe's ZANLA forces, Mr. Luce said.

Though 21,600 members of the Patriotic Front forces had now gathered at the 14 assembly points, there were still substantial numbers of ZANLA operatiug in eastern Rhodesia.

Replying to questions about the aecurity for election candidates following the murder of Mr. Oliver Saunyama, a leading member of the Rev. Sithole's party, Mr. Luce said that everything possible was being done to protect them.

Mr. Seunyama's assassinaiton was being investigated by the police, he said.

Mr. Luce assured MPs that euxiliary forces were being properly controlled and monltored.

£92,000 extortion alleged

By Andrew Taylor

A GROUP of paintings contractors had tried to extort nearly £200,000 from Manchester City Council through a price fixing ring, ti was alleged in Parliament yesterday.

An early day motion tabled by two Labour MPs, Mr. Allen Roberts (Bootle) and Mr. Robert Litherland (Manchester Cent.)—claimed tbat the six companies involved in the price fixing ring had already "got away with £92,358.

The MPs alleged that the companies, Barratt, B. Alexander and Son, M. A. Appleton (Northern), James Goodall, Jones and Jackson, and the Francis Brown Group had "connived" at sbaring out contracts among themselves "at prices np to four times as mnch as tbe cost estimates of the Council's direct works department."

The motion said that the six companies had put in tender hlds ranging hetween £97,480 and £108,495 for a contract to paint the council-run Xaverian College School. The direct works department had estimated the cost of doing the work at £22,750.

The contract had eventually gone to Booth and Son of Manchester for £29,566. The MPs said that the Manchester firm had not been on the original list of companies invited to tender.

An early day motion is a mechanism used to draw the attention of Parliament to important issues and is not at this stage debated.

The motion asks Mr. Michael Heseltine, Environment Secretary, to justify measures, contained in the Local Government Planning and Land Bill, putting stricter controls on local anthority direct labour organisations which will now be expected to tender for cantracts in direct competition with private sector.

The MPs said that the measures would make councils "frighteningly vulnerable to companies that will confidently overcharge, ring, or share out contracts at the ratepayers' expense."

France 'will bow to lamb demands'

BY IVOR OWEN

FRANCE la likely to bow to the judgment of the European Court and pressure from other EEC members and allow free access to Britain's lamb exports wlthin the next few months, Mr. Peter Walker, Agriculture Minister, forecast lo the Commons yesterday.

His iosisteoce that the Government will stand firm ageiosl aoy attempt by France to create a crisis in the Community in the bope of forcing concessions from Brilaio on the lamb issue, was strongly supported from the Opposition benches.

Mr. Roy Mason, Labour's egriculture spokesman, suggested that eveo if the EEC Commission secured an injunctioo from the European Court to compel French compllence with Community law, there is likely to be an interval of some weeks before the barriers came down.

He werned that the Freoch could be expected to use this interim period to go for barter deals over Britain's contribution to the EEC hudget, fisheries policy, the suger quota and farm prices.

Mr. Walker assured the House that he bad made it clear at the meeting of the EEC Council of Agriculture Ministers in Brussels earlier in tbe week that if the Frencb employed such tactics they would not succeed.

He stressed that if the Council of Ministers were to allow such tactics to succeed, it would be "disastrous" for the Community.

Mr. Walker underlined that the dispute was not between Britain and France but between France and the eotire Community. The French were violating their treaty commitments and violating the decisions of the European Court.

A lone dissenter was Mr. Ivor Stanbrook (C., Orpington) who asserted that many British people did not understand why Britaio was beiog so beestly to the French.

He believed that the French were pursuiog policies similar to British ones designed to safeguard national interests. More intelligence was needed in handling the negotiations

Support for reform of Lords

By Elinor Goodman

LORD HAILSHAM, the Lord Chaocellor, last night reaffirmed his personal commitmeot to obolisbing the House of Lords and replacing it with an elected second chamber.

He told a private meeting of Tory heckbenchers that his was a minority view within the Cabinet, and that it was up to them to keep up the momeotum for change.

Those MPs at tbe constitutional committee indicated that they thought there was considerable support for some change, though not all speakers liked Lord Hailsham's idee

The committee has already set up an informal working group to consider ways in which the Lords might be reformed.

It seems that the committee may come up with two sets of proposals for discussion—one which might be expected to appeal to those with reservetions about a major overhaul of the second chamber and another broadly supporting Lord Hailshem's idees.

Tory reformists are well eware of Mrs. Thatcher's views about proportional represeolation

Consumer advice

BY OAVIO CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

MRS. Sally Oppenheim, Consumer Affairs Minister, yesterday made ber first public commeots on the recent controversy surrounding consumer protection legislation in the UK.

Sbe told the Market Research Society in London that only when the costs of consumer protectioo outweighed the benefits ahould action be takeo to correct the imbalance.

"I accept that consumer protection measures involve costs," said Mrs. Oppenbelm.

"But on the evidence of the Ecooomist Intelligence Unit atudy itself they are not excessive costs—less than 1½p per £10 of bousehold expenditure."

Mrs. Oppenheim also commented that the EIU study itself "fairly points out that these ara costs which are ultimately borne by the consumer since they are passed on by industry."

The EIU study was undertaken at the request of a number of companies and organlsations, including Marks and Spencer and the Confederation of British Industry, and concluded that the cost of complying with and enforcing consumer protection legislation could exceed £200m a year.

Mr. Oppenheim explained the Govarnment's rola in consumer affairs.

"The Government first needs to provide a framework within which the consumer can obtain a reasonable degree of protection from the dishonest or negligent trader while preserving the bonest and efficient trader from unreasonable demands," she said.

SDLP halts constitutional talks

BY STEWART DALBY IN DUBLIN

THE constitutional conference on Northern Ireland had a further recess yesterday, with the main Catholic group, the Social Democratic and Labour Party, declining to discuss the items on the agenda.

These were whether Northern Ireland, under new Government arrangements, ahould heve legislative and executive powers, or executive powers only.

Discussion with the Press about the conference is embargoed but it is assumed that the SDLP is waiting to see if the power sharing will be discussed when the conference resumes on Monday, January 28.

This was the aecond time the SDLP had declined to discuss matters for the newly defined conference. It has already agreed that it will attend a set of parallel talks on security and Irish unity. It seems that talks will not start until February.

Meanwhile, the main Unionist delegate, the Rev. Ian Paisley, said yesterday that he had sought assurance from Mr. Humphrey Atkins, the Secretary of State, that Irish unity would not be discussed at the main conference.

He was reactiog to e statement by Mr. Seamus Mallon, SDLP deputy leader, who said that the problems of Northern Ireland can be solved only through joint action by the Irish and British Governments.

Mr. Paisley said the Secretary of State had authorised him to say that there was no question of the Irish dimension being discussed at the main conference and that Mr. Atkins has no immediate plans to meet Dublin Ministers to discuss the conference.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● COMMUNICATIONS

Takes the tedium out of phoning

ALTHOUGH FORMAL Post Office approval is awaited, Reliance Systems, part of the General Electric Company, now has its new SL-1 electronic computer-based PABX in at six company locations including ICI at Stowmarket, Talbot Cars at Coventry and Bowmaker at Cannock.

For the great majority of business telephone users connected to their company's PABX, the facilities consist of no more than dialling extensions, dialling "9" to get a Post Office line, and transferring an incoming call to another extension.

By comparison, the facilities offered by the SL-1, like most of the new stored programme exchanges, seem almost magical. But they are still not widely appreciated by most people with "an office phone" and if they were, Reliance believes the demand for such systems would accelerate rapidly.

Because the exchange possesses both programmable intelligence and memory it can perform many extra services, most of which can be changed by the user, at his instrument, to suit bimself. On the other hand, some can be denied by the management, from a central control.

For example, frequently used numbers can be reduced to two or three digits: the computer will remember and dial the full nomber into the PO line. Up to 254 extension users can each have a list of 60 such abbreviated numbers.

There is no need to keep trying an engaced number. On first finding it engaged, the caller simply dials it again, dials two coding digits, puts the phone down and waits. He will be rung by the exchange's computer when the nnmber he wants is free.

Many of the facilities can greatly reduce the irritation of the telephone. For example, if an extension rings at an unattended desk in a big office, anyone can pick up that call by dialling a code and the ringing extension's number — the call then comes to his instrument.

These are only a few of the facilities offered. Others include indication that another call is waiting if one is already on a call, the ability to ronte one's calls to another extension, a facility for senior staff that allows them to cut in on a husy extension, conferences of np to six people, hunting by the computer for the first free extension in a pre-determined group, and the ability to speak either to an incoming external call or an extension, at will.

The company can also supply an executive electronic telephone console which apart from all the above facilities, also has for example, named bntton antodialling for np to 60 names, programmable by tha nser. It also has on-hook dialling and loud speech.

From the communication manager's point of view, the SL-1 has a lot to offer. Any desired STD code restriction can be applied, even to individnal telephones. In general, who enjoys which facilities is determined at a VDU, and in addition a printer can be made to provide reports of many kinds dealing with usage and costing. By software changes, extension numbers can accompany users when they move office—no wiring changes are needed. If desired (and if the Post Office is able), the SL-1 can accommodate direct dialling in (DDI) by whicb, in effect, each user bas bis own privata nnmber. It is even possible for the exchange to be sbared between as many as 32 different companies in the same building.

Systems of up to 1,000 lines can be accommodated in a couple of cabinats each measuring only 6 x 4 x 1½ ft and the power consumption (the exchange can be pingged into a wall socket) is in the two to tbree kilowatt region. Price, very approximately, is £500/line.

GEOFFREY CHARLISH

● TRANSPORT

Avoiding the cost of detours

COMMISSIONED by the Department of Transport a survey shows that as mnch as £960m is being wasted annually in Britain because drivers of road vehicles lose their way or get misrouted because of inadequate road signing.

In fact, as the figures are based on wear and tear and fuel costs of two years ago, the current waste is likely to be very much more.

The survey proves that there is a misdirection, or a lack of direction, nt every sixth road junction and that the average road journey takes in nine road junctions.

It is for this reason that tha Department of Transport has bought a newly devised computer program from consultants Wootton Jeffreys of Woking, Surrey, that enables a Government department or local anthority highways committee to feed a local or regional map into a compnter and produce a print-out that depicts exactly what signs should be placed at any road junction to ensure continuity and accuracy of signing for given routes.

The program has the facility for taking into account any number of permanent or temporary factors, such as low bridges, schools, restricted weight bridges or road works.

Once in use, the program is capable of printing ont answers to questions relating to specific journeys between any two destinations for particularly difficult road movements.

It is expected that a service will be made available through which hauliers and industrial fleet managers will be able to access np-to-date road information for the carriage of oversized loads.

The Department of Transport has the copyright for the route guidance program for all applications within Britain, whilst Jeffreys has the rights for overseas applications. The system will be demonstrated publicly for the first time at the IMEC Information Management Exhibition and Conference at the Wembley Conference Centre from February 18-21.

Clapp and Poliak Europe, 232, Acton Lane, London W4 5DL. Telephone 01-995 4866.

● SECURITY

Identity cards at the door

A SIMPLE form of hand-laminated identity card has been devised by BPC Business Forms Division.

Called Identicard it consists of a pre-printed card usually incorporating a space for personal details, signature and photograph on one side and a plastic laminata on the reverse. Pre-printing makes the system highly flexible so that variations such as colour-coding can he introdnced for different classes of user.

A self-adhesive cover with removable backing sheet is attached at one edge which allows specific details to be filled in by hand or by typewriter. The backing sheet is then removed and the clear plastic laminate is pressed down in position, making the card almost indestructible in ordinary use.

Main advantage of the Identicard is that it can be issued with little delay at the door by security staff. For large quantities, the cost per card can be as low as 5p. Details can be obtained direct from BPC at 12, Vandy Street, London EC2A 2DE.

● ELECTRONICS

Checks the printed boards

NON-PRODUCTIVE sorting and recycling of printed boards loaded with components through complex and expensive computer-aided testers when the faults consist of no more than open or short circuits, can be obviated with a pre-tester from Fairchild.

According to the company, one in three loaded boards contain defects which cause failure after soldering, and 50 per cent of these failures are attributable to shorts.

Called AFIT 4500, the instrument applies 2,400 test points, expandable to 4,096 in increments of 128. A dual-solenoid/dual port option allows alternate testing of two boards on a single "bed of nails" fixture. The test speed is six to 10 seconds for 2,400 points.

The tester is self-programming from a known good board. The system learns the board topology, generates a test sequence and transfers it to a mini-floppy disc for storage. Less than 10 minutes is needed to make up a test program, ten of which can be held on one disc. Steps are taken to avoid damage to active devices.

More on the unit, which carries a U.S. price of $39,000, from 1,400 White Drive, Titusville, Florida 32780.

● NOISE

Performers get a warning

A DEVICE from Compnter Engineering of 14 Wallace Way, Hitchin, Herts, (0462 52731) is designed to eliminate problems of excessively loud noise from places of entertainment such as discos.

Basically the unit, CEL-206, listens to the level and compares it with a pre-set threshold. A 50-100 dB dynamic range is covered.

The pre-set level cannot be exceeded for more than a short time—if the performers do not take notice of a warning lamp, the unit will introduce some temporary attenuation into the signal leads.

If desired, a third stage will simply cut off the mains supply to the audio amplifiers, completely shutting off the sound for a short period.

Tha system is contained in a robust steel enclosure and can be mounted on a wall and wired directly into the electricity supply. A microphone monitor is supplied with integral pre-amplifier and can be put in the required monitoring position on a mounting bracket. Any attempt to disconnect it will trigger the threshold level. A separate warning lamp can be provided close to performers' instruments for their convenience.

● PACKAGING

Labels fixed accurately

LATEST OF the machines to come from Avery Label Systems is a unit which will attach labels to the fronts and backs of containers at high speed.

The machine will handle items ranging from very small bottles to 5-litre containers which may be made from glass, plastics or metal.

Main advance claimed is that the machine will position labels fast and accurately on the centre line of a container rather than at a fixed distance from the leading edge. This is significant, says the company, because of the many variables involved in conventional systems, not least of which are the dimensions of the container itself.

The machine is designated the 6000 MMF and it will be shown at a packaging exhibition at the National Exhibition Centre, Birmingham, from March 17 to 21. Avery Label Systems is at Gardner Road, Maidenhead, Berks (0682 39911).

● DATA PROCESSING

Cuts cost of printing

AM VARITYPER has bridged the gap between word processing equipment and a Comp/Set photosetter.

The growth in the use of word processing and computer equipment for text storage, coupled to the large amount of text requiring subsequent typesetting and reprography, lies behind development of the Comp/Set Disc Interface, or CDI 2100.

Compatibility with a number of word processors allows it to read textual information on to floppy discs, suitable for typesetting through the Comp/Set range of equipment.

Benefits include avoidance of the need to re-keyboard information stored on a word processor or mainframe computer, reduction of printing and distribution costs of copies, since phototypesetting output uses less space than word processor documents; and retention of security-sensitive documents in-house.

The CDI also provides facilities for a user possessing a number of different makes of word processor to access stored information through the comprehensive ability to handle multiple protocols and various information transfer rates at the flick of a switch.

Information captured can be phototypeset subsequently through the Comp/Set range of equipment, with either a single type disc, or four type discs, providing access to either 280 or 1,120 type face variations. Line measure of 70 pica ems is available in all 70 point sizes in the range 5.5-74 point, allowing A4 landscape output.

AM Varityper, 44 Church Street, Luton, Beds. Luton (0582) 23391.

● RECYCLING

Animal feed from waste

A SYSTEM involving the detoxification of domestic and industrialised sludges nsing plant capable of taking sewage in at one end and discharging it as purified animal feed—plus separated oils if wanted—is announced by Richland Resources of Wigan.

The company says this could go a long way in solving detoxification problems and save over £100m a year on imports alone.

Cost of hullding the first full scale demonstratin plant (for a town of aronnd 50,000 people) would be less than £1m.

The system has been developed on the hasis of research at the Woolfson unit at Manchester University with the backing of the Simon Carves group of Stockport.

● VIEWDATA

Competition increases

ANY IMPRESSION that Viewdata 80—first world conference and exhibition on Viewdata, Videotex, and Teletext—will be a solely Britisb preserve has been rapidly dispelled by the massive participation of the French and the Japanese in the exhibition which runs from March 26 to 28.

France's Teletel and Antiope systems will be demonstrated live by the French PTT aod TV manufacturers on several exhibition stands, their total display space being well over 100 square metres.

The Japanese PTT has also taken a large exhibition area and, although traditionally more guarded regarding their display, it is known that a number of special sets are being shipped in from Japan.

The conference programme acknowledges the international aspect, with one of the Wembley Conference Centre's theatres being devoted to overseas presentations almost continuously for three days. This will include half-day sessions which will discuss Videotex activities in Canada, the U.S., France and Japan, and the Videotex developments in Germany, the Netherlands and the Nordic countries.

The Post Office has booked the Grand Hall for the duration to present "The Prestel Show," a significant part of a major pohlicity launch for Prestel.

Special sessions will explain electronic publishing, private viewdata systems, international videotex standards, telesoftware, Prestel and the travel industry. Another half-day session will consider the possibllities for advertising and promotion through the new medium, as well as the facility for direct purchase of goods and services.

Online Conferences, Cleveland Road, Uxbridge, Middlesex. Uxbridge (0895) 39262.

● SAFETY

Maintenance of fire equipment

ALTHOUGH INDUSTRY is now required by law to provide adequate fire protection equipment, it does not always place sufficient emphasis on extinguisher maintenance. Services, too, may be provided by a contractor who is not fully traioed or experienced enougb to undertake the task safely and efficiently.

Soma bad results include water extinguisbers wrongly placed to deal with electrically based fires, and cartridges replaced in such a manner as to render the extinguisher totally useless in an emergency.

When did you last look at your fire-fighting equipment? This is the question today from the Fire Extinguishing Trades Association, which has become increasingly concerned with growing statistics of badly or non-maintained equipment proving a waste of space and money on the factory floor.

New chairman of FETA, and managing director of L and G Fire Protection, Malcolm Moffat, said in London recently: "There is no legislation to stop anyooe from starting np in his front room as a fire protection engineering company to sell fully approved extinguishars . . ." yet standards of customer advice on siting and installation, as well as equipment maintenance, are alarmingly varied.

The Association has been concerned with a "Listing and Labelling" scheme whicb requires an installation company to adhere to certain high standards but, since its inception just over a year ago, it has met with limited success.

Out of 42 companies which applied to be listed, to date only 21 have been admitted. Seven applications are held up because of difficulties over product liability insurance, and 14 have resulted in "no further action" by the inquirers or in applications rejected by FETA.

In order to become listed, companies must retain e minimum of four fully trained engineers capable of servicing portable fire extinguisbers; obtain product and public liability insurance policy levels of not less than £¼m; and instal, maintain and site equipment with the relevant British Standards requirements in addition to manufacturers' recommendations.

FETA firmly believes that if user-companies now insist on signing service contracts from its listed companies this should go a long way to help reduce the UK fire losses, currently running at over £340m a year.

It is ready to provide industries with the names and addresses of all listed fire engineering companies in their areas, either by telephone or in writing. FETA, 48a, Eden Street, Kingston-upon-Thames, Surrey (01-549 8839).

THE MARKETING SCENE

ANALYSIS OF RETAILING TRENDS OF THE PAST THREE YEARS CONTINUES TO REVEAL IMPORTANT IMPLICATIONS FOR MANUFACTURERS OF BRANDED PRODUCTS

More good news for brand leaders

BY JOHN RAMSBOTTOM

IT IS NOW widely recognised that 1977 was a watershed for the retail trade. Following Tesco's Checkout scheme, and the response of other leading multiple groups, a number of significant chaoges took place in the overall pattern of retailing. There is little point in debating which of these were entirely due to the increased competition between retailers, and which to wider economic factors (the decline in inflation, the growth in disposable incomes, the amount of goods bought and so on).

It is important, bowever, to recognise the full extent of the changes in retailing in the past couple of years because they are likely to be crucial in the general strategic planning of manufacturers and retailers in the economically difficult times which are generally believed to be on their way this year and next.

Two developments have received a considerable amount of attention. The best known is the growth in market share (of packaged groceries as measured by AGB's TCA Panel) of the top few multiple chains at the expense both of independents and of smaller multiples. The second area which has been discussed at some length has been the relative improvement in the share of branded products at the expense of private label since 1977.

This is not the place to rehearse the reasons for this movement, though it is fair to say that few people would have predicted that one result of a price war between retailers would have been a decline in the share of private label brands sold via the most successful retailers.

But even the knowledge that branded products increased their share in leading retailers only tells part of the story. There are many sorts of branded products, some very close to being private label (for instance, a formerly advertised brand now sold only through one particular retailer), so the first question is whether the gain in market share of branded products really applied to the leading advertised brands.

The graph is based on an analysis of 21 product fields covered by the AGB TCA Panel, including areas such as coffee, tea, detergents and canned products; it provides a remarkably clear picture.

Taking the whole period from 1973 to 1979, roughly as many brande leaders increased their market share as lost ground. But this round figure is deceptive, as it is the aggregation of two contradictory trends. In the years between 1973 and 1977 (the start of Checkout) almost twice as many brand leaders lost market share as increased it. In the next two years, four times more brand leaders increased their share market than lost (73 per cent against 18 per cent).

Thus we can say with some confidence that the gain in market share of branded products which we have seen over the past couple of years must have been in considerable part due to the improved position of brand leaders.

The figures become even more meaningful when the position of individual store groups is examined. The two groups with by far the largest share of the TCA market are Tesco and Sainsbury's, and these have both shown large increases in market share since 1977. They are also the store groups which show the greatest gain for brand leaders.

In 1977, the national brand leader was the leading seller at Tesco in about three-fifths of all product categories—roughly the same proportion as in 1973. By 1979, that proportioo was over three-quarters.

At Sainsbury's the change is even more striking. Sainsbury's has always been very strong in private label, and in 1977 national brand leaders were leading sellers at Sainsbury's in less than 10 per cent of product categories, leadership in most other categories going to private label. Agaio this showed virtually no change since 1973. In 1979, national brand leaders were leading sellers in over a third of product categories at Sainsbury's.

The improvement in market share of brand leaders has been associated with a change in their relative price. The table looks at the relationship of the cost of brand leaders, No. 2 brands and private label in the 21 markets covered in the graph for 1977 and 1979. In 1977, brand leaders had a price premium of almost 5 per cent. By 1979 this bad fallen to 2½ per cent. Rather surprisingly, this did not alter significantly the relative price differential between brand leaders and private label (11.5 per cent in 1977, 12.2 per cent in 1979).

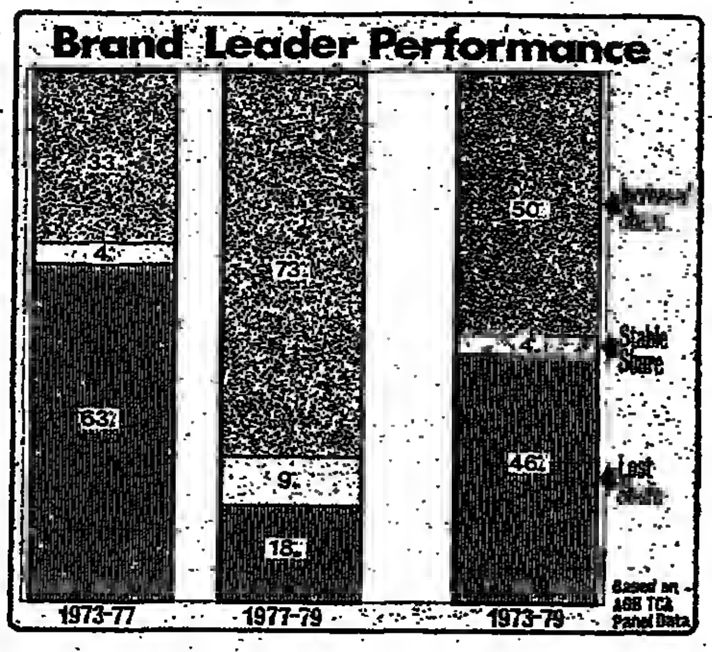
This means that brand leaders bave declined in price mainly relative to other manufacturers' brands, which could be expected to harm the sale of these brands, and we do indeed find that their position has deteriorated. The clearest example of the problems such brands face can be seen in their stocking position in retailers. Taking five leading multiple chains (Tesco, Sainsbury, Asda, Kwiksave and Fine Fare), we again find 1977 a watershed.

Between 1973 and 1977 there was a significant increase in the average number of brands in each product category stocked by the leading multiples. Between 1977 and 1979 this trend was reversed, leaving the 1979 position slightly below that of 1973.

Trends since 1977 have important implications for the manufacturers of branded products. On the one hand, if their product is a brand leader, it is more likely to be sold heavily in leading multiples. On the other, if it is not among the leaders, it seems rather less likely to be sold at all.

There is every indication that relations between manufacturers and retailers will be at least as tense and complex in the 1980s as they ever were in the 1970s, and we will probably still be as far as ever from resolving the old riddle of whether the retailer sells the brand or the brand sells the retailer.

John Ramsbottom is general manager of Retail Services and Prices Audit Services of AGB.



RELATIVE PRICE OF BRAND LEADERS . . .

	1977	1979
. . . Vs. Total Market	+ 4.3%	+ 2.5%
. . . Vs. No. 2 Brand	+ 4.8%	+ 1.9%
. . . Vs. Private Label	+ 11.5%	+ 12.2%
. . . Vs. Other Manufacturer Brands	− 0.9%	− 2.1%

Source: AGB TCA.

MEAL display spending 4% higher at £1.013bn

BY MICHAEL THOMPSON-NOEL

EXPENDITURE on display advertising last year at rate card costs totalled £1.013bn, according to latest figures compiled by Media Expenditure Analysis. This was an increase of 4 per cent on 1978. It should be noted that the Advertising Association's estimate of total advertising expenditure last year is £2.07bn.

The MEAL figure for 1979 was affected by the ITV dispute last autumn, without which, says MEAL, display expenditure at rate card costs would have reached £1.14bn, an increase of 17 per cent.

On an indexed basis (1975=100), the figure for 1979 was 181 against 174 in 1978 and 149 in 1977.

MEAL-type gross expenditure on television last year at rate card costs was 15 per cent lower at £413m. Press spending was 23 per cent higher at £600m. Within the Press, the largest increases were recorded for women's monthly magazines (+35 per cent), popular dailies (+29 per cent) and provincial evenings (+27 per cent).

"In spite of the television dispute, increases in expenditure were recorded for 17 of MEAL'S 21 product categories," says the company. The retail and mail order category showed a 12 per cent increase to £171.6m, making it MEAL's biggest individual category. It surplanted food, which showed a 14 per cent decline at £136.7m.

The largest increases in expenditure occurred in the following categories: tobacco (+ 24 per cent), holidays and travel (+ 22 per cent), finance (+ 20 per cent). The biggest declines were food and household appliances (both − 14 per cent).

Last year's total rate card spend was more than three times the amount spent in 1970 (£312m). Within the total, there have heen significant changes within product groups. Between 1970 and 1979, expenditure on MEAL's current top ten product groups rose by more than five times to £336m, compared with the average increase of three times for all product groups over the period.

Easily the biggest group increase occurred in records, cartridges and cassettes, where spending rose from £300,000 in 1970 to more than £17m last year. These results are taken from "Ten Year Trends," a special analysis of MEAL results since 1970.

The latest top ten product group list (for 1979) is as follows: 1) Department and Retail Stores, £94.5m (Index, 1970=100: 1,606); 2) Cars, £45.8m (Index: 951); 3) Direct Response/Mail Order, £41.3m (4161); 4) Chain Grocery and Co-op Stores, £29.3m (579); 5) Government Departments and Services Recruitment, £26.1m (278); 6) Beer, £24m (311); 7) Cigarettes, £23.6m (254); 8) Chocolate Confectionery, £20m (229); 9) Records, Cartridges and Cassettes, £17.4m (5,643); 10) Building Societies, £14.3m (593).

Survey of mail order growth

THE RESILIENCE of traditional mail order catalogue companies, plus the impact of newer direct response organisations, is reflected in a new survey by Jordans of the British mail order industry.

In total, mail order sales in 1978 amounted to £2.113bn—5 per cent of total retail sales and 8.7 per cent of total retail sales excluding food shops. All signs indicate further significant growth in 1979.

In terms of gross sales, say the authors of the survey, the catalogue companies did remarkably well in retaining their share of the retail market when so much seemed against them.

Three methods of mail order are covered by the survey: catalogues, direct response advertising and direct mail. The growth in direct response advertising, says the survey, is reflected in the fact that in 1974, total sales of Plumbs, Tootal (Easifit), Franklin Mint, Thermaware, Leisure Arts and Scotcade were approximately £13m, whereas in 1978 the total was probably in excess of £70m.

Scotcade, which started trading in 1974-75, recorded sales of more than £10m in the year to last June 30, says the report, while Thermawear's sales in the year to August 31, 1978, were £10.9m. Against these successes, there had been some "spectacular failures," such as Brentford Nylons and Shoppertunities.

The survey, which costs £65, is available from Jordans and Sons at 47, Brunswick Place, London, N.1.

● BUDGET RENT A CAR, part of the Transamerica Corp. of the U.S., has awarded its £500,000 account to Leo Burnett, whose current billings are just under £32m.

● FALMER INTERNATIONAL has switched its jeans account to Young and Rubican, and Wrangler has gone to Collett Dickenson Pearce. Each account could be worth £1m this year.

● LINFOOD HOLDINGS, whose interests include Carrefour, Gateway Supermarkets and Linfood Cash and Carry, has appointed Norman Craig and Kummel to handle "corporate expression" as well as product development. Companies under Linfood control spend more than £5m on media advertising.

● BOVIS CONSTRUCTION has appointed Lloyd, Clark, Rowe.

RETAILING IN THE EIGHTIES

What Mrs. Williams has to answer for

In the second of an occasional series, DAVID CHURCHILL, Consumers Affairs Correspondent, talks to Richard Weir, director of the Retail Consortium, about the likely structure of retailing in the 1980s.

SHIRLEY WILLIAMS has a lot to answer for, according to Richard Weir, director of the Retail Consortium, which represents over 95 per cent of Britain's retailers.

As Prices Secretary in the last Labour Government, Mrs. Williams helped focus consumers' attention on strict price comparisons between shops. Although shopping around for the lowest price may have been good politics at the time for Mrs. Williams, and essential for the beleaguered shopper, it did help accelerate the major structural change which has developed in the retail sector over the past two decades—and looks like becoming the dominant theme in retailing in the 1980s.

This structural change has seen the multiple retailers such as Tesco and Marks and Spencer increase their share of retail trade at the expense of small independent High Street shops. In 1971, for example, the multiples accounted for some 36.5 per cent of retail sales while the independents had 47.8 per cent of the market. By 1976, the multiples had increased their share to 40.1 per cent while the independents lost ground to 43.2 per cent. Over the following two years, the multiples overtook the independents in terms of market share: the multiples in 1978 hod 42.2 per cent of sales, compared to 41 per cent for independents.

Mr. Weir, who has been director of the Consortium since early 1975 and is therefore well qualified to comment on the changes in the retail trade, believes that ooe of the reasons for the growth in power of the multiples has been the emphasis on strict price competition, irrespective of other factors.

The multiples, with their greater potential — and actual — operating efficiencies and larger selling areas, are able to offer low prices to draw trade away from the smaller, independent shops unable to match them on price.

Both consumers and governments have been "curiously shortsighted," says Mr. Weir, in looking for the lowest possible price and hence minimum service. "Consumers say they want longer opening hours and more service—aod then vote at the checkout by shopping at big multiples."

Governments, too, have tended to concentrate on prices and have ignored, perhaps understandably, the long-term effects on the structure of the industry. "Shirley Williams was probably the worst offender in telling consumers to shop around to find the lowest possible price — almost as if price were the only thing that mattered," says Mr. Weir.

He believes that the price consciousness of the consumer since the mid-1970s has accelerated the growing power of the multiples in the past few years. And he expects such price sensitivity — now that it has become so well established —to continue in the 1980s if, as seems likely, inflation continues at a high level.

The result, he believes, will be that the trend towards greater concentration of the multiples will at least continue at the present rate; more likely, the rate of change will continue to accelerate.

As well as consumers wanting low prices, Mr. Weir thinks that the multiples will also grow in strength because of their ability to offer low prices. Retailing is one of the most labour-intensive industries (some 2.5m people are directly or indirectly involved) as well as being among the lowest paid. Inevitably, therefore, labour costs must rise over the 1980s—and multiple retailers are in a much better position to absorb these costs through larger and more efficient operations.

Mr. Weir says that in some sectors of the retail trade, such as in hardware and fresh foods, the independents bave managed to maintain their traditional superiority over the multiples. But even in these sectors, the small shop faces an ever-increasing threat from the multiples. J. Sainsbury and Asda, for example, are moving rapidly into the do-it-yourself field, while the larger supermarkets are constantly improving their handling of fresh foods.

Mr. Weir echoes the school of thought which believes that the Government can hardly afford to stand idly by while the small shop-keeper is squeezed out of business.

But he does feel that any Government moves to equalise the terms on which retailers can buy from manufacturers will not prove successful. The Monopolies and Mergers Commission is currently investigating the whole issue of the discounts secured by large retailers from manufacturers, with the possibility of recommending U.S.-style regulatory legislation. "But this sort of legislation in the U.S. and elsewhere has never proved particularly effective," he says.

In any case, the High Street, says Mr. Weir, will continue to dominate retailing in the 1980s. "The High Street will undoubtedly continue to be the most convenient and accessible place for people to shop. I think the days of the 'green field' hypermarket are over, although superstores as part of larger district shopping centres which have people living close by should continue to grow."

The totally-covered shopping centre, such as those at Brent Cross or Milton Keynes, may become less feasible because of energy costs. The impact of higher energy costs could also mean a revolution in physical distribution which, he says has tended to lag behind increased efficiency in the store itself.

JOBS COLUMN, APPOINTMENTS

Early weeding's the answer, accountants say

BY MICHAEL DIXON

"NO ACCOUNTANT ever designed a proper motor car!" rasped Sir Monty Finniston the other day, in support of his committee's plan to shift the United Kingdom's whole culture towards better appreciation and application of sound engineering principles.

Since such a shift would inevitably be at the expense of the accounting principles which now evidently dominate UK economic activity, Sir Monty might be forgiven for thus carrying the battle to his main enemy. Even so, at the time he spoke the gibe, I thought it somewhat gratuitous. After all, it is not an accountant's job to design motor cars.

Today, however, I am toying with the idea of telephoning Sir Monty and requesting his comments on the ability of accountants to design a proper system for selecting and training accountants, particularly of the Chartered in England and Wales variety. I say this because their institute's directorate for education and training has just issued proposals for a new system.

The need for a new system can best be diagnosed by the layman from two clear symptoms.

One is that employment-market demand for qualified *accountants is running* ahead of the supply thereof. The other is that the shortage of accountants qualified by the England and Wales Chartered Institute, is apparently exacerbated by a high percentage of failures among candidates for the institute's final examination.

How, then, might we expect a clutch of accountants, as represented by the aforementioned education and training directorate, to tackle the problem? The answer, fundamentally, is as follows.

They aim to reduce the percentage of failures at the end of the qualifying period, all right. But their plan is to do this primarily by increasing the percentage of failures at the earlier stages of education and training for the institute's qualification. In short, the directorate has evidently adopted a rationale similar to that of seal-culling.

'Non-relevant'

The plan is especially bad news for youngsters aspiring to membership of the institute after taking a degree in some subject other than accountancy No longer would such people—whom accountants are apt to term "non-relevant graduates"—be able to go straight from their degree into three years of professional training including a "conversion course."

Instead they would spend at least a *further two-thirds* of an academic year in postgraduate study leading to an examination for the Certificate in Accounting Studies. In having to alt this examination they would be no different from the humble non-graduate candidates who now constitute less than a third of an annual intake of 5,000-plus trainees. The non-graduates would sit for the new certificate after a foundation course, usually in a polytechnic, which at present lasts one academic year.

Lest there should be doubt whether this starting certificate would be easy or hard to obtain, the directorate says:

"Entry arrangements must ensure that only those likely to succeed enter into training contracts ... Students lacking sufficient aptitude or motivation to qualify should be identified as early as possible."

The *survivors* would then begin professional training, in the case of "non-relevant graduates" a year behind their academic contemporaries who took their degree specifically in accounting. In both instances, however, the training with an accountancy firm would normally last three years, as compared with four for trainees without benefit of degree.

Next, however, there would come for all a professional aptitude test covering not only numeracy, but also practical applications of relevant law and *suchlike. Only those who passed this test* would be *allowed* to attempt the following hurdle: the formal professional exam.

Probably the most controversial of the proposals is that this exam, to be taken normally about half way through the period of training, should be positively the last conventional examination to be sat on the way to membership of the institute. Given the previous culling of aspirants lacking talent for exam-passing, of course, the results at this stage could be counted on to show an impressively high percentage of passes.

This percentage would then continue for a further 18 months or so of supervised training, including a specified amount of formal professional study, before being given a final assessment possibly based on a rigorous interview.

Once over this final barrier, the trainee would be deemed a qualified chartered accountant, at least in England and Wales.

The proposals—which include several measures essentially recommended by the 1974 Solomons Report on accountancy training—will be discussed by a special conference at Nottingham in March. The directorate hopes to have had them generally approved by the institute's members before the winter.

My own, presumably "non-relevant." reaction to the scheme is that if it is swiftly put into force, the England and Wales *Chartered* Institute will *be on the way to becoming an* even more élite branch of the accountancy profession than it is already. Which will no doubt be highly satisfying to its members.

But I cannot feel sure that the measures — particularly the pushing of the failures down to the lower, less visible stages of the qualifying process — will do anything to guarantee that the new system produces the sort of accountants needed outside the professional offices of chartered accountancy.

That faces us with the question: *What sort of accountants does* the UK's general economy need? And the answer seems impossible to obtain.

Come to that, we also don't really know how many of them we need. True, they are always being wanted on the employment market. But that does not necessarily mean they are needed. Given the preponderance of accountants at the top of employing organisations, much of the demand could be explained by the Parkinson's Law determining that the number of a chief's subordinates will multiply at a fixed rate regardless of whether there is any essential work for them.

Perhaps what is required is a full-scale official inquiry into the UK economy's needs of people with skills of the accounting variety . . . and so on, on the lines of the recent inquiry into the engineering *profession. And perhaps* Sir Monty Finniston would be a good man to lead it.

Marketing

AROUND £16,000 plus bonus and car is on offer for a 28- to 35-year-old, practical marketing manager based near London. The employing group wants the recruit for a division which has rapidly gone from scratch to about £10m turnover in a variety of office equipment which has nothing to do with accounting or, indeed, anything that could *strictly* be called work at all.

Responsible to the division's director, and working alongside the national sales manager leading a 60-strong force, the newcomer will share the aim of doubling turnover again by 1982.

With four specialist staff in support, the incoming *manager* will need sufficient experience of "fast-moving" marketing to take charge of all relevant activities from planning and budgeting onwards. But candidates should have spent time out of the marketing "back room," preferably in selling.

Inquiries to consultant John Stephens of PA Advertising, 60a Knightsbridge, London SW1X 7LE; telephone 01-235 6060, telex 27874. He guarantees to abide by any applicant's request not to be identified to the employer until permission is given.

Assistant Secretary

circa £9,000 + car

The Berec Group is an international manufacturer of portable power systems. The group has a turnover in excess of £200 million *per annum and employs 11,200* people in the United Kingdom.

The Group Secretary controls a number of internal departments including the Group Pensions Department. An Assistant Secretary is required whose principal duties apart from deputising as necessary for the Secretary will include responsibility for the efficient control *and administration* of the pension fund together with the management of the Group Pensions Department and the implementation and control of management benefits.

Candidates should have a Chartered Institute of Secretaries or Accountancy qualification and, although not essential, experience of pensions administration would be desirable.

An excellent salary and benefits package is offered.

Applications should be made to Alan Holt, Management Planning Manager, Berec Group Limited, Berec House, 1255 High Road, Whetstone, London N20 0EJ.

BEREC

Group Financial Controller

Major Public Group

The group provides specialist construction and engineering services to industry on an international scale. It has a name for innovation, a substantial turnover and an impressive profit record. It has expanded considerably in the 1970s, a growth pattern projected to continue in the 1980s.

As a member of the top financial team, the group financial controller will be accountable for all aspects of financial and administrative control, a responsibility which will entail evaluating the performance of operating companies and creating the necessary disciplines and procedures to enhance group profitability. This will be achieved through a network of specialist functions which are to be further developed.

The requirement is for a financial executive with extensive industrial experience (now holding a senior management appointment with a major company) who can demonstrate sensitivity to the financial and organisational ingredients which constitute a successful business.

Remuneration is for discussion in the region of £25,000–£30,000 plus car and the usual benefits associated with a major company. Appointment to the group main board is envisaged after a suitable period. Location: London.

Please write, in confidence, to FJF Hall (Ref: 801F).

Thomson McLintock Associates 70 Finsbury Pavement London EC2A 1SX TML

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INTERNATIONAL INC.

management consultants

Expanding business has led to openings in the Middle East and North Africa for high calibre professionals *to conduct client assignments in :*

- corporate and financial planning
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Sound industrial experience preferably in oil and petrochemical industries is an asset.

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Please send resume in confidence to :

BOOZ, ALLEN & HAMILTON INC.
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Director of Human Resources
58, Avenue Kléber 75016 Paris.

BOOZ ALLEN

LIFE ADMINISTRATION

MANAGER

The Company: Lloyd's Life Assurance Ltd (formed in 1971 by Lloyd's of London) a medium-sized life assurance company, specialising in unit-linked policies sold mainly through brokers. Due to excellent five year record of steady and sustained growth intend to expand their senior management team. First class name for attractive new products. Young management with flexible, entrepreneurial style.

The Job: Full responsibility for company's administration, controlling department of 60 staff, using computerised systems. To report at Board level with regular contact with brokers, the marketing and DP departments.

Candidates: Management experience in life assurance administration is essential. A preference for young men or women with proven success in a small or medium-sized company and seeking career progression. Technical ability, intelligence, personality, commercial awareness, and above all, self-motivation are important.

Remuneration: *Salary negotiable, probably £13-16,000 with a car, bonus linked to profits, share participation and non-contributory pension.*

Career plan

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Please apply:
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Career Plan Ltd
Chichester House
Chichester Rents
London WC2A 1EG
Tel: 01-242 5775

EMA

FINANCIAL PLANNING MANAGER

Age 28-35

Slough — c£15K + generous benefits

The planning function is of prime importance at our rapidly expanding client, part of a major blue chip group. Reporting to the Head of Commercial and Finance Division and responsible for a department of 9, the position will have considerable input to the development and control of business strategy and performance, with substantial exposure to board level management.

Promotion prospects are excellent within our US subsidiary client. With a current turnover of £20 million and enormous growth forecast, the company is a market leader in its field. Applicants (male or female) should be graduate qualified accountants with commercial flair and ideally computer modelling experience. Please telephone or write to David Hogg FCA quoting reference I/1937.

EMA Management Personnel Ltd.
Burne House, 88/89 High Holborn, London, WC1V 6LR
Telephone: 01-242 7773

Finance and Administration Controller

Computer Services — c. £13,000 + Car

Our client is Baric Computing Services Ltd., one of the largest and most dynamic computer bureaux in the UK with a reputation for professionalism and innovative thinking. Their recent and projected growth rate is both impressive and realistic.

Baric is seeking to fill a key appointment within their organisation. The position, to be based at either *Crewe or Feltham*, Middlesex, will report directly to the Managing Director and will be primarily concerned with the co-ordination of the total finance function, incorporating all disciplines and covering, in addition, corporate administration. One of the most significant contributions the job-holder will perform is advising the Managing Director on future financial strategy and the overall corporate policy for the company.

This position is ideal for a practical and down to earth man manager with a record of success in designing, implementing and controlling financial systems within a large organisation. Candidates, male or female, should also have a good knowledge of financial modelling and other aspects of computer accounting, and must be *qualified ACA/ACCA/ACMA*. Preferred age range is 32-45.

The remuneration package is outstanding and there is substantial scope for further personal development. As an initial step please write or telephone in complete confidence for an application form to S. J. Gardner quoting reference number *2024/FT/SJG* at Moxon Dolphin & Kerby Ltd., Hulton House, 161/166 Fleet Street, London EC4. Telephone 01-353 4200 ext. 213.

MOXON DOLPHIN & KERBY LTD

Botswana

Taxation Specialist

Up to £10,880 p.a. plus allowance

Candidates must be qualified Senior Inspectors of Taxes and preferably have a degree in Law or Economics.

The successful candidate will be directly responsible to the Director of Financial Affairs for duties, including: research and advice on special taxation arrangements related to economic development, providing recommendations on existing and new tax legislation, and drafting Cabinet memoranda, notices and motions for the National Assembly and Ministers' speeches on taxation affairs.

Salary includes a substantial tax-free allowance paid under Britain's overseas aid programme. Basic salary attracts 25% tax-free gratuity.

Benefits include free passages, generous paid leave, children's holiday visit passages and education allowances, appointment grant and interest-free car loan.

The terms on which civil and public servants may be released if selected for appointment will be subject to agreement with their present employers.

For full details and application form, write quoting MC/114/FF.

Crown Agents

The Crown Agents for Oversea Governments and Administrations, Recruitment Division, 4 Millbank, London SW1P 3JD.

EMA

ASSISTANT GENERAL MANAGER

Nigeria — c$65,000 + *major benefits*

Reporting to the local General Manager and working closely with the London based VP Finance, the Assistant General Manager will be responsible for the development and maintenance of business systems and controls. Dealing with certain administrative tasks, the Assistant will play a lead role in bank and sales negotiations, asset management and business development.

A subsidiary of an international group, our client is engaged in the provision of a variety of oilfield services and equipment. Offering substantial benefits, the position will provide excellent promotion prospects throughout the world. Aged 30-40, applicants should be qualified accountants with proven commercial ability. Please telephone or write to David Hogg FCA quoting reference I/1939.

EMA Management Personnel Ltd.
Burne House, 88/89 High Holborn, London, WC1V 6LR
Telephone: 01-242 7773

Hoggett Bowers

Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Financial Director

West Yorkshire, to £15,000 + car + equity

For a growth company in the retail sector supplying a wide range of products through more than thirty shops and superstores. The Financial Director will be responsible for the overall direction and control of the financial affairs of the business with the initial emphasis on the formulation and development of effective accounting and administrative systems and procedures throughout the company. Qualified accountants aged 32 to 40 should have a proven track record in senior financial management not necessarily in the retail sector. Future prospects include the possibility of equity participation.

B.F. Hoggett, *Ref: 10204/FT*. Male or female candidates should telephone in confidence for a Personal History Form to:
LEEDS: 0532-448661, *Minerva House, East Parade, LS1 5RX.*

TRAINEE MERCHANDISER

for soyabean crusher in Liverpool. Aged 22/25. Preferably degree and/or business experience.

Please apply in writing to:

The General Manager
CONTINENTAL (LONDON) LTD.
North Quay, Gladstone Dock, Bootle, Liverpool L20 1BG

MANAGING DIRECTOR
IRELAND

International Engineering Group

You would be joining a leading international engineering organisation which is expanding by acquisition and organic growth. The subsidiary, of which you would be Managing Director, is located near Dublin.

The task is to implement a profit improvement programme, to increase production capacity and to expand an area of business with good potential.

To be considered you need to have a record of success in general management or senior manufacturing management in an engineering based industry. You also need to know the Irish industrial market well.

A salary of around £15,000 is envisaged with a car. Removal expenses will be paid.

Your name will not be released until we have briefed you and you have given your consent. To obtain more information please telephone me at our London office.

Terence Hart Dyke,
BDC (International) Limited
26 Dorset Street,
London W1M 3FU. 01-487 2621.

Recruitment consultants licensed in the UK

BDC

Securities Clerks

We wish to recruit two securities clerks for our office in Newbury, Berkshire.

Applicants should be experienced in all aspects of securities work, preferably gained in the Stock Exchange.

In addition to a competitive salary, we offer fringe benefits which include House Mortgage Assistance, a subsidised restaurant and a non-contributory pension scheme.

Please write with details of age, education and relevant experience to:–

Mrs. E. D. Douglas,
Kleinwort, Benson Limited,
20 Fenchurch Street,
London EC3P 3DB.

KLEINWORT, BENSON
Merchant Bankers

Head of F/X Settlements
Major International Bank

Our Client is a distinguished and expanding intarnational bank which attaches much importance to the quality and afficiency of its banking operations.

The current requiremant is for a head of dapartment to assume responsibility for the superviaion and control of the settlament of its foreign exchanga and money transactions. Thia will include the managament of some 12 personnal angaged in processing dealing contracts, cash manegement, sterling clearing, customer services and a variety of inter-related activities.

Ideal candidates are likaly to be in their early/mid 30'a, with several years' experience of intemational bank operations. Maturity and tha ability to control and motivate staff are regarded as essential personal etributes for success in this key position within the bank.

This is a career devalopmant opportunity in an expanding bank of substance with a highly compatitiva salary and fringe benefits to match.

Contact Norman Philpot in confidence on 01-248 3812

NPA Recruitment Services Ltd
60 Cheapside London EC2 Telephone 01-248 3812/3/4/5

Marketing Executive-Leasing and Asset Financing East Midlands

Chemco International Leasing Inc., a subsidiary of Chemical Bank New York, is one of the largest international asset financing groups in the world. Our continuing expansion programme calls for a creative marketing executive based at our Midlands Regional office in Birmingham to develop the East Midlands area from Northampton to Leeds.

The position calls for a man or woman in their late 20's or early 30's who has the drive and ambition to expand Chemco's market share in this strategically important industrial area.

The successful applicant will be highly motivated with experience of the middle market and a sound knowledge of Conditional Sale, Industrial Hire Purchase and Leasing gained with a major finance house or bank. An above average salary is offered plus all the usual benefits associated with a senior post in a major international institution.

Please write, enclosing CV to
Richard M. Holloway, Managing Director,
Chemco Equipment Finance Ltd.,
85/87 Jermyn Street, London SW1Y 6JD.

CHEMCO INTERNATIONAL LEASING, INC.

Accountants
Are you ready to take control?

A New York based firm – VEECO Instruments Inc. are looking for a qualified accountant to undertake the function of Financial Controller.

Working with the world's largest manufacturer of standard electronic power supplies you'll be based at the marketing and service distribution centre at High Wycombe, Bucks. There you'll be largely responsible for all financial accounting functions which means sound experience in general accounting, budgeting, cost control, taxation and foreign exchange is called for. You'll also need experience in dealing with overseas, preferably American, companies and ideally, a background in a technical manufacturing environment.

As the office is small, friendly and rapidly expanding, you'll be involved with some office management as well.

This is an excellent opportunity to handle a full-scale financial controller's role, while working in an informal, very personal environment.

The man or woman appointed will receive a five figure starting salary together with company benefits.

If you feel you have the relevant experience and confidence to take up this challenge then please write, enclosing a detailed C.V. to: Mrs Z. Audibert, Austin Knight Limited, London W1A 1DS.

AK ADVERTISING

Financial Controller
Wiltshire About £17,000 Executive Car
Non-contributory Pension

The company is the rapidly growing UK subsidiary of a progressive high technology US corporation. It has ambitious growth plans in the UK — many of which are currently reaching fulfilment.

This position, which arises through promotion, offers overall responsibility for all financial aspects of the UK company including treasury, taxation and accounting. There is a supporting staff of some thirty people, many of whom are professionally qualified. Accounting, which is through a sophisticated and developing computerised system, provides information and analytical services to all levels of local management and to both Europe and the USA. The environment is distinctly multinational.

We are seeking a professionally qualified individual — most probably 30-35 — with multinational industrial experience at financial manager or similar level. An active desire to play an executive role in an exciting expansionist atmosphere will be essential.

An excellent benefit package includes interest free bridging facilities, profit sharing and stock purchase plan.

Please reply in confidence, quoting Ref. U856, giving concise personal, career and salary details to R. G. Billen — Executive Selection.

AYMS Arthur Young Management Services
Rolls House, 7 Rolls Buildings
Fetter Lane, London EC4A 1NL.

Financial Controller
Hertfordshire
c.£14,000+car

A large engineering concern based in Hertfordshire and part of a substantial group, is seeking to appoint a successor to its existing Financial Controller who has been promoted.

Applications for this senior position are invited from qualified accountants (preferably Chartered) who have the necessary knowledge and experience to effectively and efficiently run a large finance function with 250 staff.

A salary of around £14,000 p.a. is offered together with a company car and other attractive benefits.

Please send in the first instance, a detailed curriculum vitae to The Managing Director, Robert Marshall Advertising Limited, 44 Wellington Street, London WC2E 7DJ.

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HOLBORN AREA C £9,000+

We are the UK subsidiary of the world's largest containerised shipping line. Our growth in the UK has necessitated the creation of this new position which involves administration of the compensation programme, recruiting, management training programmes, labour negotiations, relocations, company car programme, and the administration of all personnel policies.

The ideal candidate should have a minimum of 4-5 years' experience in personnel with strong background in the compensation area. Applicants, probably aged 30-40, should possess a BA or BSc degree. He/she will report to the Managing Director and must be self-motivated, adaptable, innovative, and possess the ability to establish sound working relationships with lina management.

Please apply in confidence with full C.V. to:—

Mr. R. E. Murphy
Managing Director
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Napier House
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London WC1

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To young Accountants, these positions offer opportunity for a close study of a multi-discipline activity...

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to be responsible for Finance Department operations – routine accounting, control systems, budgets, etc. You must have professional qualification and experience of a management position equivalent to Chief Accountant in industry.

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up to £8114 (inc.)

to assist the above and supervise work on expenditure, income, payroll and mechanised accounts. A professional qualification is required.

With both posts, 26 working days plus statutory holidays are offered – plus pension scheme and other benefits, including good sports and study facilities.

If you would like full details, phone or write to – The Staffing Officer,

Polytechnic of the South Bank

Borough Road, London SE1 0AA. Telephone: 01-928 8989.

Group Accounting
London W1 c.£9,000

Lloyds and Scottish Limited, a publicly quoted Financial Services Group, also having interests in retailing and industrial distribution, has created an attractive position for a recently qualified Chartered Accountant.

Reporting to the Group Financial Accountant the individual will assist with the preparation of group accounts and interpretation of subsidiary company returns and will supervise a part of the accounts function. Additionally there will be involvement in a variety of projects covering accounting procedures and corporate and tax planning.

Potential is considered to be more important than relevant experience. Prospects for advancement and participation in group benefit schemes are excellent.

Contact David G. Nevin on 01-405 3499 quoting reference DN/180/LSF

Lloyd Management
Recruitment Consultants
125 High Holborn London WC1V 6QA 01-405 3499

Managing Director
Newmarket From £10,000

An expanding private company with a turnover of approximately three million is seeking to appoint a Managing Director. Responsibility will be to the Board for the management and expansion of the business of bloodstock broking and related services.

The successful candidate, probably aged 30-50, will be able to demonstrate a capacity for this position by an impressive track record in brokerage and by a proven management and directing ability. Remuneration is negotiable and includes participation in the profits of the company.

The appointment is open to both male and female candidates who should send adequate particulars initially, in confidence, to Richard Mooney, Personnel Services Division of–

Spicer and Pegler
Management Consultants,
3 Bevis Marks,
London EC3A 7HL

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The personnel consultancy dealing exclusively with the banking profession

LEASING £10–15,000
An international merchant bank, currently expanding its leasing portfolio, requires 2 senior leasing executives to take on an active business development role. Experience of big ticket leasing is essential and the successful candidates will need to be 'self-starters' with a logical and organized approach in what is essentially a 'start-up' operation. Career prospects are excellent. *Please contact BRIAN GOOCH*

FOREX MONEY BROKER c. £12,000
Due to expansion, our client, a leading firm of money brokers, wishes to appoint a senior deposits broker. The ideal candidate must have had a minimum of two years experience in an active deposit broking environment. Ambitious people with an energetic outlook are required to work within this closely knit team. There are possible prospects of overseas promotion. *Please contact BRIAN GOOCH*

EUROBOND ADMINISTRATOR to £7,500
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Required to run a small London Office of a busy Country Broker. The main responsibilities will be institutional settlement and daily cash flow control. A broad knowledge of stockbroking office procedures will be necessary. Energy, enthusiasm and administrative ability are essential attributes. Remuneration includes non-contributory pension, profit sharing, free life assurance, and season ticket loan scheme. Salary minimum £5,000, subject to negotiation.

Please write Box A.7020, Financial Times, 10 Cannon Street, EC4P 4BY.

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Our client is looking to expand both its sterling and FX depts. *If you have any experience please ring Chandos Consultants*
01-488 9373

Chief Accountant

City
from £10,000 + car

The Chief Accountant of a leading firm of timber agents will shortly retire. His successor will take over responsibility for providing financial, accounting and administrative services to management, supported by a staff of 10.

The position calls for a qualified accountant, with a calm approach, an eye for detail and the ability to gain a real understanding of the firm's business. Experience of a commodities trading environment would be an asset. Age is indicated around 40.

Applications, which will be treated in strict confidence, should contain relevant details of experience, salary progression, age, education and qualifications.

Please write to Dr J. Murray quoting reference 843/FT on both envelope and letter.

Deloitte Haskins+Sells
Management Consultants
128 Queen Victoria Street, London EC4P 4JX

Switzerland £20,000

INTERNATIONAL INTERNAL AUDITOR

For a group of companies operating in the energy distribution business with world-wide turnover in excess of £100m.

Responsibility will be to the Corporate Controller for the establishment of operational and financial audit in subsidiaries located in Australia, South America and Africa.

Candidates should be qualified accountants with experience at manager level in a major professional firm, or in the audit department of an international group of companies. A second language, particularly Spanish or Italian, would be helpful but more important is the ability to work independently, to high professional standards.

The post will be based in Lugano but since three-quarters of the work will be overseas, residence outside Switzerland could be arranged.

Résumés including a daytime telephone number to E. H. Simpson, Executive Selection Division, Ref. S636.

COOPERS & LYBRAND ASSOCIATES LTD.
Management Consultants
Shelley House, Noble Street, London, EC2V 7DQ.

Financial Director

Service Industry

This senior vacancy within a well-known international service corporation — the third largest in its industry throughout the world — has been created by natural growth, geographic expansion and internal promotion.

The brief is to control the financial, commercial and legal affairs of the UK subsidiary company and of the Europe, Africa and Middle East Division, with strong emphasis on the commercial aspects of their operational and marketing activities.

The requirement is for a CA, aged around 35, with senior financial management and commercial experience in a large service organisation.

This is a UK Board appointment with scope for progression. The previous incumbent is now in charge of an operating division. Location — North Home Counties. Regular short overseas trips. Remuneration c £15,000 plus car.

Please write in strict confidence with full personal and career details, quoting ref 136/FT, to Philip Smith:-

Philip Smith
Manpower Consultants
85-87 Jermyn Street, London SW1Y 6JD

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A challenging opportunity has arisen for an ambitious person to join a highly successful and expanding investment management group in a senior capacity; for the right person there is the possibility of progressing to a Directorship. Funds under management exceed £150m and include Schlesinger PIMS unit trusts, the Trident range of insurance funds, private client and pension funds.

Working closely with the Investment Director, this position offers outstanding career prospects for an experienced professional who has a relevant investment background gained in an insurance company, merchant bank, stockbrokers or similar institution. A degree or professional qualification would be desirable.

A competitive salary plus BUPA and other benefits is offered with first class working conditions in modern Victoria Street offices.

Applications, which will be treated in the strictest confidence, must include a detailed CV, including salary details, and should be addressed in the first instance to:

Ian P Forsyth, Director,
Schlesinger Investment Management Services Ltd.,
Southside, 105 Victoria Street, London SW1E 6QS.

FINANCE DIRECTOR

Lloyds Brokers
c. £15,000 + car

The post is with the international subsidiary of a well established group having modern head offices in Central London.

In addition to the accountancy function of the international subsidiary where there is an Accounts Department of around 20, the responsibilities include the Group Data Processing Department and a co-ordinating role with regard to Group accounts.

The initial objective will be the refinement of the existing accounting systems and reporting procedures of the international subsidiary to facilitate its future development.

Applications are invited from qualified accountants with experience at a senior level in a Lloyds brokers. It is unlikely that a person under 35 will have had the experience demanded by the post. The ability to get down to basics is essential and the prospects are excellent for a person able to combine this with sound advice at Board level.

In addition to the negotiable salary there is an attractive fringe benefit package.

Please send a comprehensive career résumé, including salary history, to Malcolm Campbell

Touche Ross & Co. Management Consultants
55 New Oxford Street,
London WC1A 1BX.
Tel: 01-836 6600

U.K. MULTINATIONAL GROUP
YOUNG ACCOUNTANT

Location flexible **c. £9,500 + car**

Our client is a widely based British group with substantial worldwide interests including refining, manufacturing, marketing, retailing, wholesaling, shipping and North Sea Oil.

The group is establishing a high level financial review function to carry out assignments throughout the U.K. with occasional overseas visits. The department will provide senior management with objective and wide ranging reviews of group systems, methods and procedures. Considerable emphasis is placed on making substantive recommendations.

Candidates, male or female, will be graduates and either ACA, ACCA or ACMA with up to two years' post qualifying experience and exposure to sophisticated systems. They should have the ability to communicate effectively with staff and management at all levels. Flexibility to travel as necessary will be required. Prospects for advancement in the organisation are excellent.

For further information and a personal history form, please contact Jeremy Kidson or Mark Scott M.A., A.C.A. at [illegible] Strand, London [illegible], tel: [illegible]; or Barbara Lord M.Sc., at 26 West Nile Street, Glasgow G1 2PF, tel: 041-226 3101, quoting reference 2735.

DOUGLAS LLAMBIAS
Douglas Llambias Associates Ltd.
Accountancy and Management Recruitment Consultants
and at 26 West Nile Street, Glasgow G1 2PF (041-226 3101)
3 Coates Place, Edinburgh EH3 7AA (031-225 7744)

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Management Accountant

West London **c.£9,500 + Generous Benefits**

A major British company with varied interests and a worldwide reputation seeks a young accountant with post qualification commercial experience and commercial awareness – able to understand, interpret and explain the significance of figures and trends in relation to specific businesses and circumstances.

As a senior member of the management accounting team, you will assist with the extension of computer modelling and your wide ranging responsibilities will include cash management, strategic planning, budgetary control and special projects for the Board, embracing all aspects of the company's diverse interests. These will provide high level exposure and job satisfaction.

The benefits include a non contributory pension, free staff restaurant and generous holidays. Future prospects in financial or general management are excellent.

Contact David Tod BSc, FCA on 01-405 3499
quoting reference DT/381/MWF.

Lloyd Management
Recruitment Consultants
125 High Holborn London WC1V 6QA *01-405 3499*

Management Accounting

C. London **c.£7,000**

A major British transportation group, with substantial overseas interests and an unrivalled growth record offers two graduate part-qualified accountants (c Prof 1) exciting and challenging opportunities.

Working with a small highly qualified team, you will prepare standard costs, budgets and corporate plans in addition to undertaking numerous special projects.

Competitive salaries with outstanding fringe benefits including day release will be commensurate with experience and qualifications. Promotion prospects are excellent.

Contact Patrick Donnelly on 01-405 3499
quoting reference PD/175/MFT.

Lloyd Management
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Whatever your current place in the business world, the new technology will bring big changes in the 80s and 90s. The new generation of computer systems, from macro to micro, will radically alter your way of looking at things – your way of doing things.

It's an exciting, challenging prospect. And what we're offering is the chance to play a leading part in making those changes happen – as a SALES EXECUTIVE with Honeywell.

We'll take your current expertise and problem-solving skills – whether in the commercial, financial, manufacturing or administrative fields – and build on them. Our specially developed intensive training programme, tailored to your particular requirements, will give you the technical knowledge and sales ability to provide today's managers with tomorrow's computer systems.

And working with Honeywell, one of the world's leading computer manufacturers, you can count on the fullest support – in technical, marketing and business terms. After 6 months, you should be on course for total earnings well into five figures, plus the breadth of opportunity offered by a company committed to personal and career development.

Of course, it's a demanding role: it requires a graduate calibre mind, a sound appreciation of business basics, an ability to think systematically – and to speak the language that senior management understands. Above all, it demands the will to succeed.

If all these are part of your background, and you are aged between 24-35, – with, perhaps, some previous exposure to computer systems – we would like to talk to you.

Please ring Colin Robins on 01-568 9191 between 9 am-5 pm or 01-568 3229/7776 between 5 pm-9 pm. Alternatively, write to him, with c.v., at Honeywell Information Systems Ltd., Honeywell House, Great West Road, Brentford, Middx.

Honeywell
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We have a vacancy for an
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This is a unique opportunity to join our successful team and expanding business.

Apply in confidence to:—

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Harlow Meyer & Co.
Adelaide House
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01-623 6534

ALPS

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A continuing career appointment

SENIOR ACCOUNTANT

CITY OF LONDON — **ATTRACTIVE SALARY**

MAJOR BRITISH MERCHANT BANK

We invite applications from qualified Accountants, aged 33-40, who have acquired not less than 5 years experience in a commercial organisation, preferably in banking or finance, using modern accounting methods, and including a period heading an accounting department. The successful candidate will initially control through a small, effective team, the production of monthly management accounts covering the Bank and its subsidiaries, liaise with tax advisers and make a significant contribution to Corporate Planning in a back-up role, plus the continued development of the management services. The faculty of clear expression, both orally and in writing, is important. An attractive remuneration is negotiable by way of high basic salary plus house mortgage subsidy, non-contributory pension, free life assurance end free B.U.P.A. Applications in strict confidence under reference SA019/F.T., to the Managing Director:

ACCOUNTANCY & LEGAL PROFESSIONS SELECTION LIMITED,
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MANAGEMENT ACCOUNTANT

CITY OF LONDON — **ATTRACTIVE SALARY**

MAJOR BRITISH MERCHANT BANK

This vacancy calls for e qualified accountant, aged 24-28, with e minimum of 18 months' post-qualification experience, preferably acquired with e large accountaocy practice. The appointed candidate will take a major part in streamlining management accounting information and reporting procedures and assist in tax plenning. Responsibilities will include involvemeet lo a wide range of the Bank's activities and will require a continued awareness of domestic and international accounting developments. There is scope for edvancement and en attractive remuneration is negotiable by way of high besic salary plus house mortgage subsidy, non-contributory pension, free life assurance and free B.U.P.A. Applications in strict confidence under reference MA020/F.T., to the Managing Director:

ACCOUNTANCY & LEGAL PROFESSIONS SELECTION LIMITED,
35, NEW BROAD STREET, LONDON EC2M 1NH. TELEPHONE: 01-588 3588 or 01-588 3576. TELEX: 887374.

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For an initial discussion please telephone 01-636 8791, Saltzer Executive Services, 61, Berners Street, London W1A 4OZ.

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ACA, MBA or equivalent

C. London 27-32 to £11,000 + car

THE COMPANY is one of the UK's leading high-street retail chains. with a turnover in excess of £1 billion and an outstanding record of growth. An ambitious programme of further expansion is currently being undertaken.

THE VACANCY lies in the small but highly influential Financial Appraisal department, which reports to the Finance Director, and the varied brief includes profit forecasts: financial plans: financial public relations: fundings; and tax planning. The successful candidate will also become involved in business development and investment appraisal.

CANDIDATES should be graduate qualified accountants, business graduates or similar, with experience or training in a relevant field.

PROSPECTS are unusually attractive, with every opportunity to progress to senior management level in this bighly successful organisation.

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London WC2A 1EG Tel: 01-242 5775

BERMUDA ACCOUNTANT

Salary $27,000 — Age: Open

Our clients, International Lloyd's Brokers, have a vacancy in their Bermuda Offices for an Accountant qualified to ACA standard. The person appointed will have substantial experience in insurence or a related field end will report to the Senior Accountant. U.S.A. travel envisaged.

Initially, please reply in strictest confidence to:

Nicholas P. Moore, Associate Director, or Christopher D. Stock, I.P.S. Group. Tel: 01 481 8111, quoting ref. 43892.

Hoggett Bowers

Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Financial Manager

East London, c. £11,000 + car

This is a new position with a recently acquired subsidiary of a major diverse group. The company, which manufactures and distributes office and domestic furniture with a turnovar of £11m, needs a person to inject professionalism and urgency into the accounting function. Reporting to the Financial Director you will control tha accounting departmant and its staff of 18. Key objectives are to develop new accounting systems and improve internal controls. Ideally in your early 30's you must be qualified and have previous management experience. Excellent communications skills and the ability to accept responsibility are essential personal qualities.

E. Sutton, Ref: 17113/FT. Male or femala candidates should telephone in confidence for a Parsonal History Form to: **LONDON: 01-734 6852,** *Sutherland House, 5/6 Argyll Street, W1E 6EZ.*

A rare opportunity in the leisure business

General Manager

Travel & Hotels Group

Due to retirement, a vacancy for the above position, located at the Manchester Headquarters of the Co-operative Wholesale Society, will shortly arise. The Group comprises an "Own Brand" holiday operation; a firmly established and expanding national network of 34 travel bureaux; and a hotel company owning nine 2 and 3 star seaside hotels and a holiday centre. The travel outlets are all ABTA members, some having IATA licences. The hotels are involved in the coach tour, conference and business functioo markets. Both operations have fully experienced senior managers.

All round experience, involving a full measure of senior responsibility for administration in at least one of the two fields, is an absolute essential. Only from such experience can the right individual provide the requisite motivation and guidance to the specialist members of the senior management team, so as to effectively develop and exploit the potential which exists for increasiog sales and profitability in all areas.

The remuneratioo package takes account of the seniority of the positioo and its importance to the Co-operative Wholesale Society and of course includes relocation where necessary.

Please write, including curriculum vitae and details of current and required salary, to:- Mr. R. M. Grindrod, General Manager, Personnel Services Group, Co-operative Wholesale Society Limited, New Century House, Manchester, M60 4ES.

Co-operative Wholesale Society Travel & Hotels Group

F.X. Operations Manager

West London. c. £11,000 p.a

This is a new appointment in the Headquarters of a major British multinational company.

The brief is to set up and operate a centralised foreign exchange system for purchasing and selling foreign currencies and to contribute to the further development of the Company's FX exposure management procedures.

Candidates, male or female, aged 27-35, should already have had several years experience of foreign exchange operations, preferably in banking or with a large multinational company. They should also have developed the administrative and communicative skills necessary to establish effective working relationships at all levels throughout a diverse organisation.

The salary offered will be around £11,000 together with a range of fringe benefits in line with other large industrial companies.

Please write in confidence, giving full details of your age, career history, and current salary, stating names of any organisations to whom your letter may not be sent, to:

T. L. Roberts (Ref. 514/FT).

Whites
Whites Recruitment Limited
72 Fleet Street, London EC4Y 1JS
Offices: Bristol, Glasgow, Leeds, London, Manchester and Wolverhampton.

Area Management Accountant

Amey Roadstone is Britain's principal producer of natural aggregates and is a leader in macadam and asphalt markets.

An important career opportunity has arisen for an experienced accountant to join our Shrewsbury based Western management team as Area Accountant.

The successful candidate will be specifically responsible for the completion of Monthly Trading Accounts for a specific area of the Western Region. This will involve contact and liaison with Unit and Area personnel to ensure that procedures and timetables are properly adhered to for the compilation of the accounts. Additional responsibilities will include providing assistance in maintaining financial controls applicable to the Area, helping in the completion of half year and year end financial accounts and guiding the Area staff in the production of forward plans and budgets.

Candidates, male or female, should be qualified to ACCA or ACMA Section III (old Part II) level and have previous experience of producing trading statements in an industrial concern.

In return we offer an attractive salary and an excellent range of fringe benefits including a generous relocation package where appropriate.

Please write, with brief details of experiance and qualifications to: Mr F.J. Beddow, Regional Personnel Manager, Amey Roadstone Corporation Limited, 160-162 Abbey Foregate, Shrewsbury SY2 6AL.

ARC — Western
A member of the Gold Fields Group

MAJOR PROPERTY GROUP
HEAD OF FINANCE

Central London — Emols. to £15,000

Our client is a major quoted property development and investment group located in central London with assets in excess of £60m.

A recent change of policy requires the recruitment of an experienced accountant to take full responsibility for establishing and running a comprehensive, modern system of financial and management accounting as well as the company secretarial function.

Candidates should be qualified, aged 32 to 45 and have had direct responsibility for the finance function in a property or similar environment. The prime requirements are enthusiasm, a professional approach and the potential to become a Director in two/three years.

For fuller details and a personal history form, please contact Ian Tomisson or Liam Fitzpatrick. A.C.M.A., at 410 Strand, London WC2R 0NS, tel: 01-836 9501, quoting reference no. 2742

DOUGLAS LLAMBIAS
Douglas Llambias Associates Ltd.
Accountancy and Management Recruitment Consultants
and at 26 West Nile Street, Glasgow G1 2PF (041-226 3101)
3 Coates Place, Edinburgh EH3 7AA (031-225 7744)

Finance Director

South East London — c. £17,000 p.a.

We have been retained to advise on the appointment of a Finance Director to a medium-sized public company, which enjoys a secure and dominant position in its own market. The main activity is the sale of a consumable product to industry and commerce. Manufacturing takes place at four locations and additionally, there are four supporting subsidiary companies.

Applications are invited from professionally qualified finance executives, who have a strong commercial background and can demonstrate successful experience in developing and using financial and management controls.

The successful applicant is unlikely to be under 33 years of age and will currently be earning in excess of £14,000 p.a. as the head of the finance function in a medium-sized company or number two in a larger environment.

The abilities to communicate easily with colleagues and to control and direct staff are essential.

Remuneration is for discussion at around £17,000 p.a. A company car will be provided.

Please apply in confidence, quoting reference 027 and giving a brief summary of your career to date, to L. J. Gorham at:

JOSOLYNE LAYTON-BENNETT LIMITED
MANAGEMENT CONSULTANTS
Metropolis House, 39/45 Tottenham Court Road, London, W1P 0JL.

Chartered Accountant

Up to £9,000 plus car — London EC4

for the UK unit of an international Finance and Marketing division of a well-known British Bank. The job would be ideal for a Chartered Accountant under 30, with ona of the big professional firms or parhaps with a multi-national company, who is now ready to make the right career move. He or she will be responsibla to the Financial Director for maintenance of the company's accounts; developmant of management information systems; compliance with statutory obligations; and liaison with the computer team engaged in completing tha automation of the company's accounts.

The company has an impressive record of growth, having at present 40 subsidiaries in 15 countries. The UK company is one of the Division's major operating units. The appointment offars good opportunities for accelarated personal developmant, and early promotion for those interested in the international career structure. Up to £9,000 to start; company car and other benefits.

Applications in confidence to B. G. Luxton (Ref. 6471).

Mervyn Hughes Group
2/3 Cursitor Street, London EC4A 1NE
Management Recruitment Consultants
01-404 5801

DIRECTOR

for Queen Elizabeth's Foundation for the Disabled

The present Director has served the Foundation since 1963 and is to retire later this year. The Director is responsible to the Governors and through a committee structure for the management of its various activities and for proposing policies and plans for their further development.

Established more than 40 years ago, the Foundation comprises a training college which provides a variety of up-to-date residential vocational training courses for disabled men and women, a residential sheltered workshop, an assessment and further education centre for severely handicapped school leavers and a holiday and convalescent home for paralysed people. Certain grants are recoverable from central and local government, but otherwise the Foundation, which has an operating budget of over £1½ million, has to rely largely on voluntary public support. Headquarters are near Leatherhead.

The new Director will need to be a competent manager and administrator, able to control all aspects of finance and promote the Foundation's work to government and industry. He or she should be a graduate and preferably aged 40-45. The Governors wish to attract someone who has already made his or her mark in senior general management and preferably with an industrial background. Applicants will already be sufficiently interested in voluntary and welfare work to be prepared to accept some personal sacrifice in earnings and forsake their future career prospects for the satisfaction of being able to help with the many problems facing disabled people.

Salary will be £12,500 p.a. with contributory pension, car and assistance with housing in the Leatherhead area. Candidates should be married and have their family's support in total commitment to the work of the Foundation.

Please write to H. C. Holmes at Bull, Holmes (Management) Limited, 45 Albemarle Street, London W1X 3FE, who are retained to advise the Foundation.

Bull Holmes
PERSONNEL ADVISERS

Legal Adviser

Monsanto, a major multi-national chemical company, requires an experienced Solicitor or Barrister to join its European Law Department as UK Legal Adviser.

This position is London based and comprises a small team which is primarily responsible for all the legal work of Monsanto's British subsidiary—Monsanto Limited. The appointment will also include legal support to the Company's oil and gas exploration group.

Excellent salary and benefits expected of a major multi-national organisation accompanies this key appointment.

Please write, in the first instance, giving full details of qualifications, experience and salary history to:—

Personnel Manager, Monsanto Limited, Monsanto House, 10-18 Victoria Street, London, SW1H 0NQ

Monsanto

Group Taxation Manager

Salary negotiable — Central London

Our client is a major UK public Company manufacturing a wide ranga of proprietary brand products. Overseas operations and exports account for almost half tha Group's results.

A taxation specialist is required to advise tha Group on all taxation matters and manage a small Tax Department. The successful candidate will be responsible for the Group's worldwide tax planning, advising on the tax implications of commercial decisions and suparvising the compliance work for UK companies.

Candidates, (male or female) aged over 30, must possess a thorough knowledge of UK corporate taxation together with soma experience of international tax problems. An ability to anticipate tax problems and communicata effectively at senior management level is essential.

Salary is negotiable but applicants currently earning less than £11,000 are unlikely to have the requisite experience.

Please write or telephone to D. G. Muggeridge, quoting reference number 6475.

Mervyn Hughes Group
2/3 Cursitor Street, London EC4A 1NE
Management Recruitment Consultants
01-404 5801

A substantial international manufacturing and engineering group requires a:–

Financial Controller

This unusual opportunity has been brought about by the expansion of this manufacturing group as a result of increased American backing. The group manufactures from 9 individual bases in the West Indies and supplies local markets with industrial and medical gasses, welding supplies, safety, diving and fire fighting equipment. Equally all plants import refrigerant gasses and other basic materials.

This senior appointment demands a qualified accountant with commercial experience. Responsibility is for the financial management of the group and its individual profit centres and involves inter-island travel. Self motivation together with initiative and responsibility are assets that are particularly looked for.

The remuneration package is generous and includes a profit related bonus, and all airfares together with the opportunity to build up some tax free personal savings.

British Virgin Islands | Age 30-40 | Salary $31,000

Candidates wishing to apply for this appointment should contact me as soon as possible quoting IG.

Robin R Whalley

INTERNATIONAL APPOINTMENTS (LONDON) LTD

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CJRA

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BAHRAIN

U.S. $30,000 — U.S. $35,000

MAJOR INTERNATIONAL BANK

The growth of the Bank's international syndication and merchant banking activities have created opportunities for Bankers fluent in Arabic, and preferably of Arab nationality, aged 25-32, who have acquired a minimum of 2 years' loan syndication experience. The Loan Syndication Manager will be responsible, initially, for taking transactions from mandate award to loan signing and, with further experience, will then be expected to market the Bank's product capabilities and negotiate mandates. Candidates must be prepared to travel and have the personal presence to represent the bank to government bodies and financial institutions. Salary is negotiable, free of local taxation, and additional benefits include free furnished accommodation and utilities, life assurance, retirement benefits, annual paid leave and air passages, medical and educational assistance. Applications in strict confidence under reference LSMA11957/FT, will be forwarded unopened to our client unless you list banks to which they should not be sent in a covering letter marked for the attention of the Security Manager:

CAMPBELL-JOHNSTON RECRUITMENT ADVERTISING LIMITED
35 NEW BROAD STREET, LONDON EC2M 1NH

Financial Director
& Company Secretary

c. £17,500 + West London

Our client, a multi million $ worldwide corporation is a leading supplier in the computer and related markets with an impressive and continuing record of growth.

The Financial Director, as part of the senior management team, is responsible to the Managing Director for all financial and legal matters for the U.K. company.

Candidates must have worked in a U.S. Corporation and be familiar with U.S. accounting standards. Applicants should have in-depth experience of controlling departments dealing with general accounting, budgeting, leasing, data processing etc.

The position demands the ability to provide expert guidance to the management of the company in financial, commercial and legal matters and manage a large and varied department which works to tight deadlines.

An excellent benefits package is offered including company car, BUPA, Pension Scheme, etc.

Please write, quoting ref. FT389 with a comprehensive C.V. All enquiries will be treated in the strictest confidence. You may mention companies to which your application should not be forwarded.

Ray Diamond

GRS

Gerrard Recruitment Service,
10, Argyll Street, London W1V 2BQ.

Accountants
~a challenge in oil for the eighties

The British National Oil Corporation is one of Britain's leading Operators in the North Sea and working alongside the world's major oil companies in charge of the Thistle and Beatrice oilfields and involved in a major exploration programme. These operations are managed in Aberdeen, where current expansion and busy prospects for the '80s create a need for several key accountants with proven ability and demonstrable potential. Willingness to be well paid for hard work in a growth company is necessary.

CONTROLLER— PRODUCTION ACCOUNTING

We invite applications from mature professionals who have the ability to control the Production Finance Group.

Candidates will have had full exposure to budgeting and management reporting possibly in a manufacturing or refining environment. They must have management experience and be familiar with current techniques, plus the talent and ability to develop subordinates to full potential.

The controller will lead a team of 12 and report directly to the Financial Controller—Operations in Aberdeen, with responsibility for full financial monitoring and management reporting on our Thistle field, and then on Beatrice. This job will grow as we bring additional field and terminal facilities on-stream in the 1980's.

SENIOR ACCOUNTANT— SPECIAL PROJECTS

We want an experienced accountant with a talent for investigation and a flair for interpretation and presentation, to assume a unique role within our Aberdeen Finance Department—initiating and controlling investigations to expand and supplement management's picture of current operating performance.

SECTION ACCOUNTANTS

We also wish to appoint young and ambitious accountants to lead sections within our Drilling, Production and Administration Accounting groups.

Candidates will be qualified and preferably have experience of budgeting, accounting and management reporting functions in industry. There are excellent prospects for candidates who wish to join a rapidly growing organisation, and who can excel in a challenging environment.

The Corporation offers an excellent remuneration package, supplemented by generous pension and life assurance schemes. Comprehensive relocation assistance to the Aberdeen area is available.

If interested, please write in the first instance, giving full details of career to date, to . . .

The Personnel Officer,
The British National Oil Corporation,
St. Machar House,
73-77 College Street,
Aberdeen AB9 4AR.

BNOC The British National Oil Corporation

Bahrain £18,000

SENIOR FOREIGN EXCHANGE DEALER

Our client is the National Bank of Bahrain.

This youthful, aggressive, highly profitable bank now seeks to sustain the momentum of its growth by the appointment of a Senior Foreign Exchange Dealer out of London, to operate in all International currencies.

Numerate, sharply decisive and possibly an economics graduate, the successful candidate will be in his or her early thirties, have several years' experience of successful spot and forward trading, and will have developed a keen sensitivity to market movement and trends.

In addition to salary, the Bank will provide suitable accommodation, an annual 42-day vacation, and economy class return passage to place of residence for wife and up to three children at the completion of each year of service. The initial contract will be for two years, renewable by agreement.

Letters of application, together with C.V. and salary progression should be forwarded without delay to: Mr. C. A. Cotton, Executive Recruitment Division, MLH Consultants Ltd., Park House, 22-26 Great Smith Street, London SW1P 3BU quoting reference A179.

MLH *Consulting Group of Companies*

International Economist
c. £15,000

Our client, a major U.K. Stockbroker with substantial overseas business, seeks a well qualified senior international economist to augment its established Economics Department and to develop further its International coverage.

The successful candidate will have gained considerable expertise in international currencies and interest rates in a business or academic environment and will have proven communicative skills.

The job involves providing advice internally to the Bond and other departments and externally to clients and also representing the firm's views to the financial community as a whole. This will include analysing and forecasting international economic and currency trends and interest rates, and the regular production of written reviews.

The position should appeal to an able individual who is keen to achieve wider recognition in the City and make an important contribution to a highly professional team. Prospects are excellent.

Please contact Anthony Innes who will treat all enquiries in the strictest confidence.

Stephens Associates
International Recruitment Consultants
35 Dover Street, London W1X 3RA. 01-493 0617

Mid-Staffordshire C&L c. £12,000 and Car

FINANCIAL DIRECTOR

Our client, a major Division of a U.K. public company manufacturing industrial consumables, with a turnover of £15m, wishes to appoint a Financial Director, who will be a key member of the management team, responsible to the Managing Director for all accounting activities.

The successful candidate will be a qualified accountant aged 30 to 40, and will be able to demonstrate previous achievement which will indicate an ability to:–

* manage a department of 35 people
* develop and implement relevant information and control systems
* *contribute to profitable commercial development.*

Opportunities occur from time to time for further advancement within the Group, both in the U.K. and overseas, in the fields of Finance and General Management.

An attractive remuneration package is offered including car, pension, life cover, health insurance and assistance with relocation expenses where appropriate.

Résumés, which will be acknowledged and forwarded to our client unless a covering letter gives contrary instructions, should be sent to R. A. Bradford, Executive Selection Division, Ref. R 817.

COOPERS & LYBRAND ASSOCIATES (MIDLANDS) LTD.
Management Consultants
Lyndon House, 62 Hagley Road, Edgbaston, Birmingham B16 8PN.

Excellent graduate career opportunity

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If you are an ambitious graduate (probably in your early 20's) we would like to hear from you. Relevant experience is not essential.

You can expect a competitive starting salary which will be reviewed after training, together with attractive company benefits.

To apply, write with full personal and career details to: Bernard Comer, Personnel Department, Phoenix Assurance Co. Ltd., 4-5 King William Street, London EC4P 4HR.

Phoenix Assurance

FINANCIAL RETAIL BUSINESS

Leading bureau de change business seeks to recruit senior management for the next phase of expansion. Applicants should be able to work flexible hours, have an appropriate banking or financial background together with the ability to motivate staff. Salary around £10,000 and terms by agreement.

Write Box A7024, Financial Times, 10 Cannon Street, EC4P 4BY

Treasury Management

Inco Europe, a major subsidiary of the Canadian based world wide Inco organisation, seeks a Treasury Assistant at London head office. Reporting to the Treasurer, applicants will be expected to have the potential to be able to deputise for the Treasurer within a year.

The work will involve the analysis, control and management of Inco's European cash resources and foreign exchange, and involvement both in special studies and projects, credit management and financial planning.

Candidates, aged 27-33, should have a degree preferably followed by a further qualification in accountancy or business. They must have a sound financial background probably in banking or corporate finance, with knowledge of the money markets and foreign exchange.

Salary and conditions of employment — including non-contributory pension and life cover — are those expected of a major international company.

Applications, giving brief personal details, work experience and current salary should be addressed to:

The Personnel Administrator, Inco Europe Limited, Thames House, Millbank, London SW1P 4QF

Inco
INCO EUROPE LIMITED

£6,000 accountancy appointments £9,000

These advertisements appeared in the Financial Times on January 22nd, 1980

Job Title	Salary	Location	Advertiser
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Young Ambitious Cost Accountant	£7,500	Merseyside	Hoggett Bowers
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Ambitious ACA	£9,000	W. London	Robert Half
Qualified Accountant	£8,500	Middlesex	Robert Half
Tax Career	£8,000	C. London	Robert Half
Internal Auditor	£8,500	Surrey	Foxboro International
Recently Qualified Chartered Accountant	Neg. from £8,500	London or Birmingham	Kidsons
Qualified Accountant	£6,936-£7,704	Cambridge	Eastern Arts Assoc.
Financial Analyst	£8,000	Stevenage Herts.	Intrntl. Computers Limited
Financial Assistant	—	London Heathrow Airport	Box A.7019
2 Part-Qualified Accountants	£7,000+	W. London	Alfred Marks Staff Bureau
Accountant	£6,500	Kensington London	Distressed Gentlefolks Aid Association
Accountant	£6,385-£7,610	C. London	BBC Publications

For the full text of the advertisement please see the Financial Times of that date or telephone Sally Stanley on 01-248 5597

DEALER

Young person in his/her twenties with at least three years' experience in both foreign exchange and deposit dealing required for established international bank.

Salary negotiable plus fringe benefits.

Write Box A.7021, Financial Times, 10, Cannon Street, EC4P 4BY.

QS

BANKING RECRUITMENT CONSULTANTS

Graduate Business Development Officer. (26-32)	to £10,000
Eurobond Dealer (to 25)	£ neg.
Auditor (ACA)	c. £8,000
Securities Clerk	to £7,000
Trainee Mortgage negotiators (25-35) (NW London)	to £8,000
Loans Administrator	to £6,000
Credit Analyst	to £6,000

please contact Mike Pope or Sheila Anketell-Jones
236-0731
30-32 Queen Street EC4

C&L

South East — from £17,500 + car

A TOP FINANCIAL APPOINTMENT

Insurance

Growth and recent reorganisation has created this opening in a well established and highly regarded general insurance company, the subsidiary of a substantial international insurance group.

Reporting to the Managing Director responsibility will be for managing the overall accounting function, with particular emphasis on improving reporting arrangements and progressing the computerisation of accounting and management information systems. D.P. support will be provided by management services.

Candidates should be qualified accountants with substantial experience at a senior level, ideally in the insurance industry. Proven ability of managing people and systems changes is essential.

Remuneration is for discussion but will not be less than £17,500 with substantial fringe benefits. For a person of the right calibre future prospects are excellent. Resumes including a daytime telephone number to J. G. Cameron, Executive Selection Division, Ref. CF219.

COOPERS & LYBRAND ASSOCIATES LTD.
Management Consultants
Shelley House, Noble Street, London, EC2V 7DQ.

Financial Analyst

Unique opportunity in Business Management

A well above average salary plus a participation in the profits will be offered to the right person who is to manage a new and rapidly expanding business providing a unique company evaluation service to major City institutions.

The candidate must be an experienced financial analyst, highly numerate and possess a relevant degree or other qualification. She/he must also have the capacity to accelerate the growth of the business.

The duties will include client contact, financial analysis and new product research. An ability to type would be a distinct advantage.

Applicants should write with details of experience and career to date, stating any organisations to which their application should not be forwarded, to:

J. D. Vine, Account Director, (REF. CRS/148),
Lockyer, Bradshaw & Wilson Limited,
North West House, 119/127 Marylebone Road,
London NW1 5PU.

LBW
LOCKYER, BRADSHAW & WILSON LIMITED

Electronics Analyst

Wood, Mackenzie & Co. (Stockbrokers) are members of the Stock Exchange with offices in Edinburgh and London. Our investment research department based in Edinburgh, employs over twenty analysts providing high quality analysis on a selected range of industries. At the present time we have a vacancy in this department for an analyst to cover the electrical and electronics sectors.

Suitable candidates will preferably have either direct experience in these industries or as an analyst with a stockbroker or investment institution. They will be expected to analyse the industry in depth in order to prepare reports for our institutional investment clients. Direct contact with a wide range of senior people in the electrical/electronics industries and the investment community is therefore involved.

This is a challenging opportunity for someone with the right qualifications to become a leading commentator on the electrical/electronics industries.

Salary is negotiable and fully competitive. The total remuneration includes a profit sharing bonus. The firm operates a contributory pension scheme.

For further details on the vacancy please write or telephone to:
W. G. Bain (Research Partner), Wood, Mackenzie & Co.,
Erskine House, 68-73 Queen Street,
Edinburgh, EH2 4NS. Tel. No. 031-226 4141.

WM
WOOD, MACKENZIE & CO.
MEMBERS OF THE STOCK EXCHANGE

Economist

Philips Electronic and Associated Industries Limited requires an Economist to join its Economic and Planning Department at its Headquarters in Central London.

The purpose of the job is to advise on the implications of macro-economic developments and to assist in industrial market research and the preparation of operating and strategic plans.

Applications are invited from men and women holding a degree in economics with several years' experience in business. Familiarity with the use of statistics and model building would also be an advantage. Salary will be commensurate with experience.

Please send brief details to: Personnel Manager, Philips Industries, 8 Arundel Street, London WC2R 3DT.

PHILIPS

Tax Manager

London W.1. — c.£17,500

A distinguished UK group with worldwide turnover in excess of £100m and pretax profits around £20m seeks a new tax manager, responsible to the Finance Director, with an immediate brief to review group tax policy and practice and a continuing requirement to aid and communicate with operational management.

Candidates, ideally aged 30-45, should be qualified accountants, ex-Inspectors or ATII/FTII with recent experience heading a corporate tax department (or as deputy in a major group). A senior manager from the profession would also be considered. They should be prepared for occasional overseas travel. A company car is provided.

For a full job description write in confidence to John Courtis, FCA, at 78 Wigmore Street, London W1H 9DQ, showing clearly how you match these requirements and quoting 7048/FT. Both men and women may apply.

John Courtis and Partners

Managing Director

Timber Industry

Our client is a large public company whose major subsidiary is involved with the manufacturing and merchandising of timber (hardwood, softwood, plywood and chipboard) and plastic products.

A Managing Director is to be appointed to take complete responsibility for the control and progressive leadership of this major subsidiary company, with the main objective of further development and expansion at an acceptable level of profitability.

It is essential to have a successful record of general management of a multi-million pound business and a detailed knowledge of the timber industry.

Salary and bonus is negotiable in five figures plus other benefits.

Please apply, in confidence, for application form to: D. G. de Belder, Knight Wegenstein Limited, St. Christopher House, 217 Wellington Road South, Stockport, SK2 6LT, Cheshire or telephone 061-477 8585, quoting reference number: 68227.

Knight Wegenstein Limited
Executive Recruitment Consultants
Management Consultants and Consulting Engineers
London · Stockport (Greater Manchester) · Zurich
Dusseldorf · Madrid · Paris · Stockholm · Vienna · Chicago

Chief Executive BSC (Industry) Ltd.

BSC (Industry) is a company set up by the British Steel Corporation specifically to help create new job opportunities in steel closure areas. Over the past two years the company has achieved considerable success in this field, but in the light of the changes now foreseen in the Corporation's structure it faces a mounting challenge in the years ahead.

The present Chief Executive is nearing the end of his contract term and is charged with finding his successor. The position, reporting directly to the Chairman of BSC, is considered of fundamental importance in implementing the overall plans of BSC.

The task is to attract, persuade and assist companies both large and small to invest in steel closure areas. This involves working with Government, regional authorities, and the European Community, and therefore operating at the highest political and commercial levels.

Broad experience at Board level in industry or commerce is essential, and candidates should have an appetite for becoming fully personally involved in as well as managing a wide spread of activities.

The preferred age is under 45. Candidates are being sought from within BSC as well as externally. The position is London based, but with extensive travel, principally in the UK. Initially a 3 year contract is offered on terms and conditions to be negotiated, but with substantial remuneration reflecting the importance of the position.

Applicants should send a detailed record of achievement in the context of the demands of this job to:

Paddy Naylor, Chief Executive,
BSC (INDUSTRY) LTD, 42 Grosvenor Gardens, London, SW1W 0EB

Phillips & Drew

PRIVATE CLIENT DEPARTMENT

Phillips & Drew have a vacancy in their Private Client Department for a Manager's Assistant.

The ideal candidate will be educated to "A" level standard with a minimum of two years' experience. We offer a competitive salary, bonus, £1 per day luncheon vouchers, season ticket loan and contributory pension scheme.

Please write to:

Mr. A. G. Wright, Staff Manager, Phillips & Drew, Lee House, London Wall, London EC2Y 5AP.

FINANCE DIRECTOR DESIGNATE

PUBLIC RELATIONS

London, West End — from £12,000

Our client, an expanding consulting group, wishes to add a young qualified accountant to its senior management team. This is a long term appointment with directorship intended within two years.

Reporting to the group managing director, this person will be responsible for developing and controlling accounting and reporting systems appropriate to a fast moving and creative business. He or she will also take a leading role in expansion investigations.

Candidates should be qualified accountants aged around 30 with the drive and personality to work effectively alongside non-financial, creative people. Past experience should, ideally, include accounting for professional businesses and developing small data processing systems.

Please send brief personal and career details, in confidence and quoting ref. FT/30/M to Douglas G. Mizon at the address below.

E&W Ernst & Whinney Management Consultants
11 Doughty Street, London, WC1N 2PL.

TRAINING CONSULTANTS

JOIN A SMALL, FRIENDLY, HARDWORKING TEAM—SERVICING IN-COMPANY TRAINING PROGRAMMES IN THE U.K., EUROPE AND ARABIA. WE ARE LOOKING FOR INDIVIDUALS WITH SUCCESSFUL EXPERIENCE IN MARKETING AND SALES, ACCOUNTANCY, PRODUCTION OR PERSONNEL AND WHO ARE ENTHUSIASTIC ABOUT TRAINING OTHERS. WE OFFER £8,000 NET PLUS BONUS WITH EIGHT WEEKS' HOLIDAY. WORKING WITH A SENIOR CONSULTANT, YOU WILL BE TRAINED IN OUR APPROACH AND EXPECTED TO HANDLE YOUR OWN ACCOUNTS WITHIN A YEAR. CURRICULUM VITAES PLEASE TO:

MANAGEMENT SKILLS UNIT
STOKE PLACE
STOKE GREEN
SLOUGH, BUCKS.
Tel: SLOUGH 74310

POST OFFICE STAFF SUPERANNUATION FUND

ECONOMIST

The Post Office Staff Superannuation Fund is the largest pension fund in the United Kingdom with total assets in excess of £2,500 million.

The fund has a vacancy for an Economist to work under the Chief Economist. We are seeking a well qualified Economist capable of conducting practical research in areas important to the Fund. The position requires a broad background of education and experience in international monetary/financial economics, quantitative methods and micro-economics.

The individual appointed will be given plenty of scope for individual work and will be expected to work very closely with the Fund's Investment Department.

A working knowledge of another European language would be an advantage. Terms and conditions of employment are competitive.

Applications with curriculum vitae should be submitted to:

R. J. Schwob, Chief Economist
Post Office Staff Superannuation Fund
47/51 King William Street
London EC4R 9DD

Financial Analysts

Citibank, one of the world's foremost international banks, seeks young women and men to join its Financial Control Management team based in London.

We are looking for accountants who have qualified (either Chartered, Certified or ACMA) within the last 5 to 7 years, who combine strong analytical ability with aggressive drive and imagination. Candidates must have some systems experience, and be capable of communicating effectively with senior levels of management.

The key responsibility of this work is to provide senior management with qualitative analyses of the business performance of the Bank's operating units in the UK region. An important aspect of the work is the reconcilement of local management reports with the Bank's books and compliance with Head Office and external regulatory reporting and policy requirements. Our comprehensive management information and financial control systems are founded on the most modern technology.

Attractive salaries are offered, together with the range of additional benefits normally associated with senior positions in an international bank.

Please send full details, including salary and qualifications, to David Macleod, Manager, Recruitment & Manpower Planning, Citibank NA, 336 Strand, London WC2R 1HB.

CITIBANK

David Grove Associates
Bank Executive Recruitment
60 Cheapside London EC2V 6AX
Telephone 01-236 0640

FINANCIAL SERVICES EXECUTIVE — PARIS

Our Client is a leading French Bank with an International network of branches and associates.

This is a challenging opportunity in a developing area of the Bank's activities. The successful candidate will assist in the development of services covering, in particular, Anglo-French activities.

Suitable candidates will be qualified accountants or lawyers who have gained knowledge of the alternative discipline. A knowledge of U.K. corporate tax would be useful. Fluency in French is essential.

Candidates should be between 30 and 35 years of age with a wide knowledge of the range of services available through U.K. Banks and other financial institutions.

This assignment is intended to cover a period of up to 4 years after which reassignment to the Bank's London office is envisaged.

Salary is by negotiation but the overall package will be very attractive and reflect the importance our client attaches to the appointment.

CREDIT AND MARKETING MANAGER

GULF AREA—Experience of credit and marketing in Gulf. To organise and implement strategies for expanding bank. c £20,000 tax free + allowances + fringe benefits.

MANAGER

GULF AREA—Ideally with senior corporate banking and admin. experience in Middle East. c £13,500 tax free + fringe benefits. Please reply in the first instance to Mike Jackson.

HUDSON SHRIBMAN INTERNATIONAL LTD.
College Hill Chambers, 23 College Hill, London, E.C.4. Tel. 01-248 7851

GRADUATE A.C.A.'S

c £9,000-CENTRAL LONDON-AGE 23-28

Our client is a world-leader in a vital product area. Their operations include the total range of manufacturing, trading and marketing activity.

They seek young recently-qualified A.C.A.'s to join their H.Q. in positions which can offer career-development and advancement in a variety of finance, accounting and technical disciplines.

The positions will particularly appeal to **Chartered Accountants with a science, business or technical degree** as the groups policy is to use these degree skills alongside the financial expertise.

The company offer excellent working conditions and a remuneration and benefits package which includes relocation expenses where appropriate.

Interested applicants should contact **Roger Tipple**, who will be pleased to **contact you outside business hours (including Saturdays) should this be more suitable.**

MP Michael Page Partnership
18/19 Sandland St., Bedford Row, London WC1
01-242 0965/8

Treasurer

London based

Consolidated Gold Fields Limited, the parent company of the international Gold Fields Group of mining, financial and industrial companies, is seeking to appoint a Treasurer. This is a newly-created position, reporting to the General Manager – Finance. The Treasurer will be responsible for the cash and debt management of the parent company and its UK subsidiaries, co-ordination of Group cash policy worldwide, banking relationships and balance sheet planning.

Candidates should preferably have a background in banking or in the treasury of an international corporation and persons currently earning less than £15,000 p.a. are unlikely to have acquired the experience required for the job. *Please write with brief relevant particulars, to the General Manager – Finance at the Company's Head Office at 49 Moorgate, London EC2R 6BQ.*

Consolidated Gold Fields

DIRECTOR AVAILABLE

Director and Chief Executive (40s) with impressive record in manufacturing and marketing products and services in UK and overseas is immediately available to take up a challenging appointment.

Please reply in strict confidence to: Box A.7010, Financial Times, 10 Cannon Street, EC4P 4BY.

Accountant

Experienced in Receivership/Insolvency Work

A qualified accountant is needed to assume the leadership of our client's newly formed receivership practice. Applications are invited from men or women who have demonstrably successful experience in such work. It is likely that they occupy positions as personal assistants to the insolvency partner in a professional firm.

It is essential that the successful candidate has a thorough knowledge of the legal, practical and statutory detail involved; is capable of clear incisive thinking; and can take decisions without reference.

This is an unusually good opportunity to become part of a new practice that is backed by two outstanding firms who are determined to apply their joint expertise to this kind of work.

Location is Northern England. A salary well into five figures and excellent pension and life assurance benefits are offered. Assistance will be given towards relocation expenses if necessary.

Please apply in confidence with full CV quoting ref: 106/D

To: Mr. G. Austin Davis, Managing Director, Bamford Business Services Ltd., Bamford, Sheffield S30 2AU.

BBS
Bamford Business Services Limited,
Bamford Hall, Bamford, Sheffield S30 2AU

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F/X DEALER
For expanding Intl. Bank
2+ years' experience in major currencies
Age 25-29 c. £12,000

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For Major Market name
Full cognisant of all aspects
Age 25-30 £15,000+

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To control small department
A minimum of 4 years' exp.
Age 26-30 c. £8,000

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For new Banking operation
Prospects for early marketing role
Age 27-35 c. £10,000

EUROBOND TRADER
Ground floor opp. in new set-up
At least 1 year's experience of Bond Trading
Age 24-27 c. £10,000

For more details of the above positions and the many more we are currently handling, please telephone, in the strictest confidence, Mark Stevens (General Manager).

BANKING PERSONNEL
41/42 London Wall - London EC2 - Telephone: 01-588 0781
(RECRUITMENT CONSULTANTS)

Financial Accountant

Southend £9000pa

Our business is insurance and we are a member of a group represented in 25 countries across the world. The fact that we've been established since 1859 makes us neither stuffy nor lacking in creativity.

Indeed, the person we're looking for will report directly to the Financial Controller and will have to be capable of an innovative approach to our financial accounts, including participating in the development of computer related systems.

To meet this challenge, we envisage that you'll be at least 25, probably a recently qualified C.A. with a minimum of 2 years' experience in a commercial environment, preferably insurance.

With New Zealand Insurance you'll gain invaluable experience in the field of Life and General insurance, statutory and management accounts.

We'll offer you an initial salary of around £9,000 p.a., together with a contributory pension scheme, low interest mortgage facilities and, where necessary, full relocation expenses.

NZI International Insurers

Please write, enclosing a comprehensive CV, to:
The Personnel Manager,
The New Zealand Insurance Co. (U.K.) Ltd.,
Maitland House,
Warrior Square,
Southend-on-Sea, SS1 2JS.
Tel: 0702 62955

ACCOUNTANCY OPPORTUNITIES

Acct. Org/Analyst to £7,500 a.a.e.
Accts. Assistant c. £5,000
Investment Analyst £6,500
Accounts Clerk £4,000

Contact:
Christopher D. Stock, FICB
IPS GROUP (AGY.)
01-481 8111
Ref: L1385/8

MARKETING DIRECTOR ELECTRONICS

WEST COUNTRY c. £15,000

Our Clients, a major British group with an outstanding growth and profit record wish to recruit a Marketing Director for one of their companies based in the West Country.

The successful candidate aged 35-45 should have a degree and at least 5-10 years' experience in Sales and Marketing Management, which ideally should be in the field of electronic equipment, sub-units and components selling to OEM's, end users and through distributors.

European experience would be useful and above all he/she must be able to lead and motivate the Sales Force and be able to develop marketing strategy and plans for the 1980s.

Write or preferably telephone Peter Slip
PERSONNEL PLACEMENT SERVICES LTD.,
14a Cross Street, Reading, Berks., RG1 1SN.
Tel: Reading (0734) 595343 (24hr. answering service) Quoting Ref. 3111.

Oil Analyst

Robert Fleming has a vacancy for an Investment Analyst to cover the oil, chemical and pharmaceutical sectors on an international basis.

The ideal candidate will have had considerable experience of the oil industry gained either directly or as a financial analyst.

The position will involve following the relevant industries in all major countries and visiting foreign markets as well as working closely with the regional research desks. It will carry significant responsibility and opportunities will exist for advancement within the UK and overseas.

Applicants, of either sex, should write enclosing curriculum vitae to:–
D.W.J. Garrett, Robert Fleming Investment Management Limited,
8 Crosby Square, London EC3A 6AN. Tel: 01-638 5858.

ROBERT FLEMING

INTERNATIONAL FARM MANAGEMENT

Major U.S. agriculturely based company is looking for an agricultural Project Manager to run large farming projects in developing countries. This person will live the first year in the American Midwest and will subsequently reside for 1-2 years on site in Latin America, Africa or the Near East. Candidates should have experience in large track agricultural management in developing countries. Salary to U.S. $50,000 plus bonus in the U.S. and $275,000 while on location. Please respond to:

Box A.7025, Financial Times, 10 Cannon Street, EC4P 4BY.

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FINANCIAL CONTROLLER

c. £12,000 p.a. plus a Company car

Telecomputing is a rapidly expanding International Computer Systems Company based in Oxford and we have recently been appointed sole European importer for a range of micro computer systems. This new activity will mean a fourfold increase in turnover from the present level of £1.5 million a year.

This planned expansion creates the need for a suitably qualified Financial Controller to manage, totally, the Company's financial function, reporting directly to the Group Chairman.

The successful candidate will have direct experience of:

- *— Computer based accounting and financial control systems*
- *— Taxation, both UK and overseas*
- *— Company law and practices in Western Europe*

Salary is negotiable, although we don't expect to pay less than £12,000 p.a. plus a Company car.

For further information contact:
Chris Swinbank
Telecomputing Ltd.
Seacourt Tower
West Way
Oxford OX2 0ED.
Telephone Oxford 723621

Telecomputing People

ACCOUNTANT/OFFICE MANAGER

Middle East £16,000 Tax Free

International Communications Company urgently require a qualified Accountant to be responsible for the day-to-day running and supervision of the accounting function. Contract is for 18 months and accommodation is provided for single status.

Please telephone quoting ref. FT 097

DUNLOP & BADENOCH,
Accountancy Recruitment,
31 Percy St., W1. 323 0886
37 Eastcheap, EC3 623 3544

db

Assistant to the Financial Controller

Continental Bank is a major US international bank with substantial commercial banking operations in London. We are seeking a qualified accountant with at least two years' practical bank accounting experience.

The person will be responsible to the Financial Controller-UK and will assist mainly in the development of new information systems and in the control of existing management reports and Bank of England returns.

An attractive salary is offered, together with an excellent benefits package, which includes a low interest rate mortgage facility and non-contributory pension scheme.

Please telephone for an application form or write with full career details to:

Stephen Bourne Esq., Personnel Manager, Continental Illinois National Bank & Trust Co. of Chicago, Continental Bank House, 162 Queen Victoria Street, London EC4V 4BS. Tel: 01-236 7444.

CONTINENTAL BANK
Continental Illinois National Bank and Trust Company of Chicago.

Develop your career in International Accounting

c. £8,000

If the interest and challenge of working overseas appeals to you, here's an appointment which will offer you ample opportunity to develop your career in an international financial environment.

Colgate-Palmolive is a major worldwide company with a highly diversified range of consumer products. We are looking for a young man or woman, 23-30 with an ACA or ACCA qualification who seeks an opening into an industrial environment.

You will spend approximately 12 months based at our London headquarters with short assignments at our divisions in Manchester and York. Your training will cover both general accounting, specialised marketing and plant techniques.

On completion of the familiarisation period you will be sent in a senior financial position to one of our overseas subsidiaries which could be anywhere in the world. The training and experience you receive will be invaluable to your future career with the Company.

Write or phone with full details of your experience to Mr M Parker, Personnel Officer (recruitment), Colgate-Palmolive Limited, 76 Oxford Street, London W1. Telephone 01-580 2030 Extn. 369.

BRANCH OF MAJOR U.S. BANK IN LUXEMBOURG SEEKS 2 SENIOR FOREIGN EXCHANGE DEALERS

The successful candidate must have a minimum of four years' trading experience with an active bank. English and one other European language are basic requirements.

Salary negotiable but not less than Lux. Francs 1,500,000 per annum. *This is an opportunity to* become part of a rapidy expanding organisation with a great future.

Reply to Box A.7018, Financial Times, 10 Cannon Street, EC4P 4BY.

FINANCIAL CONTROLLER and ACQUISITIONS MANAGER

NEW YORK U.S. $35-40,000

A diversified UK Stock Exchange listed company based in the West Midlands wishes to appoint a controller and acquisitions manager of its emergent North American manufacturing and distribution interests.

Based 30 miles from New York City you will be responsible for all budgeting and financial reporting from the U.S. sub-group and for the financial control functions within the U.S.A. You will also be responsible for developing an acquisitions department to assess and negotiate new proposals in North America.

Applicants should be qualified chartered accountants or C.P.A.'s, aged 28 to 40, with exceptional industrial, professional and or acquisitions experience, have management potential and a willingness to act on their own initiative.

Applicants should send career and salary resume to Box A.7022, Financial Times, 10, Cannon Street, EC4P 4BY.

SHEPPARDS AND CHASE
Members of The Stock Exchange since 1827.

OVERSEAS SETTLEMENT STAFF

Due to expanding foreign business, we now have several vacancies for experienced overseas settlement staff, particularly in areas of dividend, stock settlement and accounting. Good salaries will be offered plus an annual bonus and normal fringe benefits. Candidates wishing to apply should send brief details of their career, qualifications and present salary to:-

Mr C. S. Griffiths,
Sheppards and Chase,
Clements House,
Gresham Street,
LONDON EC2V 7AU

INVESTMENT MANAGEMENT

Due to continued expansion of business, a vacancy has risen for an experienced Investment analyst in the Investment Department of the Standard Life Assurance Company in Edinburgh. There are prospects of rapid promotion to a portfolio management post.

The company is the largest mutual life assurance company in the European community with funds in excess of £2,000m. In addition the Investment Department manages Pension Funds and unit linked pension and life assurance funds.

It is likely that the successful candidate will have had a minimum of five years' relevant investment experience in an insurance company, merchant bank, investment trust, stockbroking firm or similar institution.

Commencing salary will be based on qualifications and experience. The Company operates generous employee benefit schemes, including Non-Contributory Pension and Life Assurance Scheme, Staff House Purchase Scheme, Dining Facilities, etc.

Please write or telephone for an application form to:—
The Staff Manager

Standard Life
3 George Street EDINBURGH EH2 2XZ. Tel. No. 031-225 7971

ASSISTANT FUND MANAGER

AGE 25-30

A new appointment with an established, successful and independent Lloyd's Underwriting Group within the Investment Management Company controlling worldwide portfolios valued at over £30m.

The job will involve working closely with the Investment Manager primarily dealing with U.K. Investments under his supervision, but taking progressively greater responsibility for the daily management of these funds.

The career potential is good with a competitive salary including usual benefits.

For further information please telephone 01-488 4555. Reference: JM/AMH.

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SALARY GUIDE £8,000

If you are an experienced auditor and either part or fully qualified ACA, an American international bank offers you the opportunity to make your career in banking. You'd join their European Audit Division in London and you would audit all the bank's operations here and at its European branches. After about two years, you'd be expected to move up either within auditing in London or the United States or into a specialist banking department.

In addition to salary, the bank offers excellent benefits including a subsidy to reduce your mortgage interest rate to 2½%.

To apply write to
Mrs. S. Cook,
Alison Harding Ltd.,
56 Moorgate, EC2R 6HH
or telephone 01-588 3255

Alison Harding Limited
BANKING RECRUITMENT UNIT

UNIVERSITY OF THE SOUTH PACIFIC

Applications are invited for the post of SENIOR LECTURER/LECTURER IN ACCOUNTING (post 80/72). Candidates should possess good postgraduate qualifications and experience in teaching and research at University level. Some experience in professional accounting and in academic administration would be an advantage. The appointee should have a broad competence in the fields of financial and/or management accounting with expertise in information systems being of particular importance. Some contribution to the extension studies programme of the University will be required and this may involve travel to countries in the University Region outside Fiji. There are also opportunities for research and consultancy in the University Region. Salary scales: Senior Lecturer F$12,275-14,450 p.a. Lecturer F$8,490-11,878 p.a. (£1 sterling = F$1.89). The British Government may supplement salaries in range £1,788-£3,214 p.a. sterling) reviewed annually and normally free from tax plus associated benefits. Family passages, baggage allowance, gratuity, [illegible] contract, accommodation, appointment grant. Detailed applications (2 copies) with curriculum vitae and naming 3 referees to be sent direct to the Registrar, USP, PO Box 1168, Suva, Fiji, by 27 February 1980. Applicants resident in the UK should also send one copy to Inter-University Council, 90/91 Tottenham Court Road, London W1P 0DT. Further details may be obtained from either address.

BUSINESS AND INVESTMENT OPPORTUNITIES

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- ★ a fully equipped factory with modern metal working facilities (guillotines, press brakes, power presses, welding, cold rolling, etc.)
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- ★ sales organisation
- ★ accounting and administrative functions

Interested companies please write in the first instance to:—

The Managing Director, N. Byford & Co. (Pvt) Ltd., P.O. Box 2695, Salisbury, Rhodesia.

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Private group of companies will pay up to 20p in the £ for usable revenue or capital losses of between £100,000 and £1 million.

Write Box G5169, Financial Times 10 Cannon Street, EC4P 4BY

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The Race Course is in a commanding position about two miles from the town centre of this major tourist resort.

Interested parties should write for further particulars to the Borough Estates Surveyor, Brighton Borough Council, 30 King's Road, Brighton BN1 1PE, Sussex, telephone Brighton 29801 (Extn. 284).

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PRIVATE COMPANY PROPRIETORS SELLING OUT?

FOR PROFESSIONAL ADVICE — CONSULT THE EXPERTS

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OR

COMPANY REQUIRING CASH FOR EXPANSION.

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Espley & Espley Advertising Ltd.
16 Orange Street
London WC2H 7NT
Tel: 01-839 6201

BUSINESSMAN COMPANY DIRECTOR

visiting Chile February 6 prepared to undertake additional commissions.

Write Box G.5201, Financial Times, 10 Cannon Street, EC4P 4BY

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A foreign-owned UK-based company wishes to acquire a small Merchant Bank/Finance House in UK. Preferably in Greater London area. The present management would continue. Proposals please.

Write Box G.5202, Financial Times, 10 Cannon Street, EC4P 4BY.

BUSINESS AND INVESTMENT OPPORTUNITIES

appear every Tuesday and Thursday
For information on rates, sizes and space availability contact John Wisbey on 01-248 5161.

BUSINESSES FOR SALE/WANTED APPEARS EVERY FRIDAY

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As part of our development policy we are seeking to purchase an Import/Export Company, complementary to our existing trading activities. Profitable companies with a sound reputation, who are seeking expansion or see other advantages, should write or telephone to:—

Gordon S. Planner, Managing Director
CONSTANTINE INTERNATIONAL TRADING CO. LTD.
11 Grafton Street, London W1X 3LA
Tel: 01-493 9434
(All enquiries will be treated in strictest confidence)

A PRINTED BROCHURE IS STILL YOUR BEST PUBLICITY

Professional presentation is vital when it comes to a printed brochure. More than often a brochure is not a printer's job. Some people believe a call to the cheapest or local printer is the answer: those who know better will, in today's competitive markets be looking for a wise investment demonstrating greater returns.

If you manufacture a product or market a service we have the expertise to help you. Ranging from a simple leaflet to a 249 page full colour hard-back book, from 1,000-3 million copies. We've thought up lots of alternative ideas for publicising goods or services but in the long-run nothing can beat the printed brochure for impact, durability, persuasive selling power, and of course economy.

A4 size brochures in full-colour, designed and printed, with varying concepts to a budget ranging from £3,000-£5,900.

Half-million copies, 24 page A4 brochures in full colour throughout, including design and artwork, with 190 colour pictures and printing on 90 g.s.m. art paper, produced in 6 weeks for only 8.4p each.

Yes, we are continually achieving budgets like these while still maintaining a high standard of quality and fast turnaround.

We produce the complete package, full creative studio design, artwork, backup advertising, typesetting, photography with modern four colour presses to ensure efficiency and accuracy right through to delivery.

Colour folders, mail-order catalogues, travel brochures, maps, sales presentation kits, posters, group service brochures, corporate stationery ranges—they're all our business. We aim not to cost you money, but to make money for you, as we have done for so many.

If you would like us to show you what we've done for others or demonstrate what could be done for you, write to Simon Nutt, B.B.R. DesignPrint, 194 Camden Hill Road, London, WC 7TH or phone 01-229 6632.

HAD YOUR IDEA TURNED DOWN?

HAVE YOU AN ORIGINAL IDEA TO DEVELOP BUT REQUIRE INITIAL SUPPORT?

We are a substantial group of companies who have available a modern rent-free factory with offices, situated on an industrial estate in the north of England, adjacent to the motorways.

We are looking for a company or an individual to whom we can contribute this facility, together with financial support on a joint venture or similar basis. Our outlook is flexible and we would consider all reasonable proposals. Likely candidates would be an under-capitalised entrepreneur with a new idea or project to develop.

Please write Box G.5198, Financial Times, 10 Cannon Street, EC4P 4BY.

INCOME AND LIQUIDITY

is united by an attractive investment for several reasons. Coincidence and personal relationship have raised the possibility to acquire more than 75% holding of a "dormant" company. The company is listed on a German stock exchange and has a minority interest in one of the finest well known German companies. Because of the serious and confidential requirements in this matter inquiries are requested only from people with a strong financial background (DM 8.5 million).

Please reply Box G.5182, Financial Times, 10 Cannon Street, EC4P 4BY.

AGENTS FOR SWITZERLAND

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LOMBARD

Tiny zones for entrepreneurs

BY JOHN ELLIOTT

FOR SOME MONTHS various Government departments have been wading through countless ideas for encouraging entrepreneurs to start up and expand small businesses, especially in decaying urban areas of inner cities. But so far they have come up with few new ideas apart from a general relaxation of legislation on employment, planning and company affairs.

One proposal however has, surprisingly, gained a considerable amount of support among Ministers. It was first floated by Sir Geoffrey Howe before the general election when he visited the desolate Isle of Dogs in East London. He proposed that "enterprise zones" should be created where normal rules and regulations would be waived in the interest of attracting the entrepreneur.

Extreme

Visions appeared of uncontrolled developments where the rough end of the free enterprise society beloved of Sir Geoffrey and Sir Keith Joseph would be allowed to operate in conditions that would generally be regarded as socially unacceptable. Employment laws, health and safety regulations, planning restrictions and various levies would all be waived, it was feared, and who could be sure that the businesses that emerged would be worthwhile and viable?

The proposals put forward by Sir Geoffrey, who is an admirer of Hong Kong-style capitalism, were not quite so frightening, although they were extreme enough for him to stress they were his own personal ideas, not his party's policy. They included waiving many planning laws and other controls on matters such as rents, pay and price limits, and some employment aspects, as well as protecting the businessmen from taxation changes, nationalisation, and public authority land ownership.

Now these ideas have been embraced officially to the extent that a group of Ministers from Departments such as the Treasury, Industry and Environment has approved the idea in principle. They would probably like to make some announcement in the March Budget, if not before.

But designing a precise policy which would make the enterprise zones sufficiently different and attractive to industry, while keeping them socially acceptable and protecting them from property speculators, has proved difficult. This is partly because other more general innovations are already being introduced through changes in the law, and through initiatives such as inner city partnership areas and urban development corporations which focus on specific areas in contrast to broader regions.

As a result there is a strong feeling in Whitehall that it would not be worth while going ahead unless a major financial incentive—such as relief from taxation or rates—was included. But, in its present cost-cutting mood, Whitehall is unlikely to welcome a reduction in taxation revenue, and would also probably oppose compensating local authorities for a loss of revenue from rates.

There the matter might rest in the pigeon holes of Whitehall were it not for its parentage: Sir Geoffrey Howe is apparently very keen to experiment and try to discover how much of a disincentive Government regulations and levies are to industrial growth. But neither he nor his fellow Ministers are prepared to designate a complete inner city area.

Incentives

The idea now being considered is that a few zones of an extremely small size—maybe only a few hundred acres each—might be tried. But it is far from clear whether the sites would be badly run down, like the *Isle of Dogs*, which would require substantial incentives, or in more attractive areas such as the edge of an established industrial zone. Put another way, the Government does not know whether it is practical to do something that spans the twin, but not necessarily compatible, aims of curing urban dereliction and encouraging the entrepreneur.

So far, therefore, it seems that Sir Geoffrey's enthusiasm is leading to a possibly intriguing experiment, but not to any policy that is likely to be of much relevance to the immediate problems of Britain's declining industrial base.

When brothers fall out

BUSINESS AND THE COURTS

BY A. H. HERMANN, Legal Correspondent

A DISPUTE between two brothers can only be called unfortunate, but the one which prompted a recent judgment* by Mr. Justice Lloyd helped to clarify the circumstances under which a manufacturer may terminate an exclusive licence granted to his distributor.

One of the brothers, Mr. A. B. Williamson, is the Managing Director of Deb Chemical Proprietaries, making cleaning products according to secret processes and formulae. Their best known product is Swarfega and in 1961 Mr. A. B. Williamson established, together with his brother, Mr. J. Williamson, a company in the Netherlands called firstly the Swarfega Chemiescher Industrie and later re-named Dreumex Chemie B.V.

The British company granted the Dutch company an exclusive licence to manufacture and sell Swarfega and other licensed products in its territory. In 1975 this territory was extended to include, in addition to Holland, also Austria, Belgium, Luxembourg, Switzerland and West Germany. In 1971 the agreement was prolonged for another 10 years so that it was due to expire by the end of 1980.

However, by the mid-1970s the two brothers fell out. Fearing a premature termination of the agreement, Dreumex was looking for other products while Deb was preparing to step indirectly into the territory which so far had been exclusive to Dreumex. Everything came to a head in July, 1976 when Deb gave Dreumex a notice of termination alleging a serious breach of their agreement. Dreumex answered that it would treat the notice of termination as unwarranted repudiation of the agreement and would claim damages.

The ensuing dispute was referred for arbitration to Mr. Paul Sieghart who decided in favour of the Dutch company. This decision of the arbitrator was appealed against in the High Court in the form of a special case.

The question of law submitted to the judge was first whether Deb was entitled to treat the licence agreement as terminated by its fundamental breach on the part of Dreumex and, second, whether it was entitled to terminate the agreement by giving notice by reason of any default on the part of Dreumex. The judge found no reason to disturb the award which said no to the first question, but he disagreed with the arbitrator on the second point, holding that the British company was indeed entitled to terminate the agreement by the notice which it gave in July, 1976.

Under Clause 12 of the licence agreement the licensor could terminate it if the licensee defaulted in the performance or observing of any of the conditions. The arbitrator took a very restrictive view of the meaning of "default" in Clause 12. He held that it did not mean any default, but only one which amounted to a substantial breach which would make it commercially unreasonable for Deb to continue to rely on Dreumex. The breaches actually committed by Dreumex included the manufacture and sale of competing products and deviations from the agreed label. The arbitrator found that these breaches did not amount to such a fundamental default.

However, the judge did not agree that the term "default" had a special restricted meaning. He did not accept that it is possible to apply to the licence agreement restrictive interpretations of "default" derived from charter parties or leases of property. He held that, as used in Clause 12, "default" meant neither more nor less than a material and substantial breach. That would exclude on the one hand merely a trivial breach, but on the other hand it would not have to be a breach of such magnitude as to deprive the licensor of the whole benefit expected from the contract.

The second issue on which the judge disagreed with the arbitrator concerned the validity and applicability of the competion clause which Dreumex was said to have infringed. This clause provided that the licensee shall not be engaged in the manufacture or sale of any products similar to the licensed products. The arbitrator found that the restriction on the manufacture and sale of similar products was meant to apply worldwide and that such an agreement was void because it was in unreasonable restraint of trade. One suspects that the EEC Commission would be likely to take the same view when considering this agreement under Article 85 of the EEC Treaty.

In any case the judge agreed on this point with the arbitrator, but accepted another argument which helped the British company to get round this difficulty. This argument was based on another clause of the licensing agreement which provided that the licensee should use "every endeavour" to promote the sale of the licensed product.

The judge held that a licensee cannot possibly be regarded as making "every endeavour" to sell the licensed products if he is engaged at the same time to a substantial extent in selling products which are in direct competition.

This ruling has disposed of the necessity to define what was meant by "similar" products in the competition clause, but the judge also dealt with this problem and his interpretation may well be useful in some future dispute. The arbitrator was of the opinion that "similar products meant products substantially similar in chemical formulation. His reason for this conclusion was that the licensing agreement concerned secret formulae and manufacturing know-how.

The judge rejected this view; he held that for the purpose of the agreement, products were similar to one another if they were aimed at the same market and if it was claimed that they could serve the same purpose. "Similar" to one of the licensed products meant, therefore, the same as "in direct competition" with that product.

Another reason which led the arbitrator to reject the claim by the British company concerned the nature of Clause 12 if interpreted so as to allow termination in consequence of any default. In such a case, the arbitrator thought, the clause would be of a penal nature and "it would be unconscionable for Deb to rely on it." Again the judge disagreed; he held that on the facts of the case it could not possibly be regarded as unconscionable for Deb to rely on Clause 12 as there was a substantial breach of the agreement by the Dutch company which failed to make "every endeavour" to sell the licensed products because it was engaged at the same time in selling competing products.

The case was sent back to the arbitrator to determine damages; these will not amount to much because the British company did not succeed in establishing that there was a fundamental breach on which they could claim damages for repudiation of the contract. They only had a limited success by proving that they were entitled to terminate the agreement and thus escaped the danger of having to pay substantial damages to the Dutch company. They were awarded costs, but the judge has granted leave to appeal; when they add up the legal costs the brothers may yet find the family discord very unprofitable.

* *High Court, London; Queen's Bench, Deb Chemical Proprietaries Limited v Dreumex Chemie B.V., 2nd November 1979 unreported.*

Socks looks good for Huntingdon

RACING

BY DOMINIC WIGAN

SEVERAL hurdlers with scope for considerable improvement—Crown Board, Irish Poet, Seamark and Socks—are due to line up for today's opener at Huntingdon, Division I of the Offord Novices Hurdle.

Josh Gifford rarely puts a foot wrong on this course and it is to his seven-year-old Socks that I turn for the winner. Making his first racecourse appearance in over a year, the Findon gelding ran a fine race in a division of Fontwell's Pulborough Novices Hurdle on January 8. There the strong son of Sovereign Gleam disputed the lead with Night Watch until the penultimate flight, where he weakened to finish third behind Ian Balding's 5-2 on favourite, Morton The Hatter.

If, as I hope, Socks has come on by the anticipated amount as a result of that outing, he may be able to peg back Crown Board, who ran a good race at Ascot on his only previous appearance under National Hunt rules.

The smallest field of the afternoon on the Midlands course is that for the St. Neots Handicap Chase in which there are only five runners. Pizza, a nine-year-old trained by Charles Vernon Miller, has done well on both his outings this term and he will do for me.

This three-length conqueror of Great Park chased home Dikaro Lady and Hunter's Joy over two miles, short of his optimum, at Leicester on January 8. Now racing over the 2½ miles over which he scored that fluent Worcester success on December 12 Pizza can take Jonjo O'Neill's score to 71.

With the Paxton Novices Chase having had to be divided, Division II of the Offord Novices Hurdle has been carried forward to 4.10 by which time visibility could well be poor.

My idea of the probable winner of this event is Sea Captain.

HUNTINGDON

1.15—Socks***
1.45—Henry Bishop
2.15—Tuthill Lad
2.45—Queen's College
3.15—Pizza
3.45—Sarsagna
4.10—Sea Captain**

TAUNTON

1.00—Day Boy
2.30—Strathclyde
3.00—Great Park*

TV/Radio

BBC 1

† Indicates programme in black and white

9.00 am For Schools, Colleges. 12.45 pm News. 1.00 Pebble Mill at One. 1.45 Heads and Tails. 2.00 You and Me. 2.15 For Schools, Colleges. 3.00 Closedown. 3.53 Regional News for England (except London). 3.55 Play School (as BBC2 11.00 am). 4.20 Deputy Dawg. 4.25 Jackanory. 4.40 Screen Test. 5.00 John Craven's Newsround. 5.10 Blue Peter.

5.40 News.
5.55 Nationwide (London and South East only).
6.20 Nationwide.
7.00 Tomorrow's World.
7.25 Top of the Pops.
8.05 Wildlife on One.
8.30 Watch this Space.
9.00 News.
9.25 Play for Today.
10.40 1980 European Figure Skating Championships.
11.15 Platform One.
11.45 Weather/Regional News.

All Regions as BBC1 except as follows:

Wales—2.15-2.35 pm I Yegolion. 5.55-6.20 Wales Today. 7.00-7.25 Heddiw. 11.45 News and Weather for Wales.

Scotland—10.10-10.30 am For Schools. 12.40-12.45 pm The Scottish News. 5.55-6.20 Reporting Scotland. 11.15 Scotland—A Heritage. 11.45 News and Weather for Scotland.

Northern Ireland—11.30-11.50 am For Schools (Ulster in Focus). 3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 7.00-7.25 Sportsweek. 11.45 News Headlines. 11.49 Tomorrow's World. 12.14 am News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

BBC 2

11.00 am Play School.
4.25 pm Open University.
†5.40 Laurel and Hardy in "Going Bye-Bye."
†6.40 Will Hay in "The Black Sheep of Whitehall."
7.15 Mid-Evening News.
7.25 Newsweek.
8.00 It's Patently Obvious.
8.30 Public School.
9.00 M*A*S*H.
9.25 Man Alive: The Olympic Debate.
10.15 Richard Stilgoe takes an optimistic look at the week.
10.40 Cricket from Australia: Benson and Hedges World Series Cup (highlights).
11.10 Late News.
11.25 *Closedown reading.*

LONDON

9.30 am Schools. 12.00 Toppers Tales 12.10 pm Stepping Stones. 12.30 The Sullivans. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 Together. 2.00 After Noon Plus. 2.45 General Hospital. 3.45 Looks Familiar. 4.15 Children's Matinee: "The Life and Times of Grizzly Adams."

5.45 News.
6.00 Thames News.
6.25 Help!
6.35 Crossroads.
7.00 Wish You Were Here . . . ?
7.30 Bernie.
8.00 Armchair Thriller.
8.30 TV Eye.
9.00 Chief of Detectives.
10.00 News.
10.30 Inside Business.
11.00 Lou Grant.
12.00 What The Papers Say.
12.15 am Close: Christian Unity Week with Rev. Alec Gilmore.

All IBA Regions as London except at the following times:

ANGLIA

1.25 pm Anglia News. 2.45 House party. 3.15 *Superstar Profile.* 4.15 The Bubblies. 4.25 Rocket Robin Hood. 4.45 The Next Week Show. 5.15 Emmerdale Farm. 6.00 About Anglia. 6.20 Arena. 7.00 Survival. 10.30 When the Corby Candle Dies. 11.00 Power Without Glory. 12.00 The Living Word.

ATV

12.30 pm Gardening Today. 1.20 ATV Newsdesk. 4.16 Windows. 4.20 The Jensens. 4.50 Project UFO. 6.00 ATV Today. 7.00 Emmerdale Farm. 10.30 Fermat V. 11.10 ATV Newsdesk. 11.16 Lou Grant.

BORDER

1.20 pm Border News. 2.45 Houseparty. 3.16 Out of Town. 4.15 Thursday Matinee: "John and Julia." 6.00 Lookaround Thursday. 7.00 Emmerdale Farm. 10.30 Celebrity Concert. 12.00 Border News summary.

CHANNEL

1.20 pm Channel Lunchtime News, What's On Where and Weather. 4.18 Project UFO. 5.15 Emmerdale Farm. 6.00 Report at Six. 7.00 Walking Westward. 10.28 Channel Late News. 10.35 Logan's Run. 11.25 The Thursday Film: "Non-Stop New York." 12.45 am News and Weather in French.

GRAMPIAN

8.20 am First Thing. 1.20 pm North News Headlines. 4.15 Little House on the Prairie. 5.10 Electric Theatre Show. 5.40 Police News. 6.00 North Tonight and area Weather Forecast. 7.00 Welcome to the Ceilidh. 10.30 Reflections. 10.35 Soap. 11.00 Luke's Kingdom. 12.00 Cold Robbers. 12.15 am North Late Night Headlines.

GRANADA

1.20 pm Granada Reports. 4.16 Salvage 1. 5.10 This is Your Right. 5.15 Crossroads. 6.00 Granada Reports. 6.30 Emmerdale Farm. 7.00 The Incredible Hulk. 10.30 Celebration. 11.00 What the Papers Say. 11.20 Bluey.

HTV

1.20 pm Report West Headlines. 4.16 Saldermen. 4.45 Wyatt's Place. 5.15 Joblins Newsdesk. 6.20 Crossroads. 5.00 Report West. 7.00 Emmerdale Farm. 10.35 Sir Peter Scott. 11.05 Kaz. 12.05 am George Hamilton IV.

HTV Cymru/Wales—As HTV General Service except: 8.52-10.07 am Am Gymru. 10.48-11.03 Mwy Nes Lai. 1.20 pm Penawdau Newyddion y Dydd. 1.25-1.30 Report Wales Headlines. 4.45 Ser. 5.15-5.20 Cartoontime. 6.00 Y Dydd. 6.15 Report Wales. 6.30-7.00 Sports Arena.

SCOTTISH

1.20 pm News Headlines and Road and Weather Report. 4.15 Larry the Lamb. 4.25 Little House on the Prairie. 5.20 Crossroads. 6.00 Scotland Today. 6.30 Report. 10.30 Burns: Brought to Mind. 11.30 Late Call. 11.35 Mannix.

SOUTHERN

1.20 pm Southern News. 2.45 Houseparty. 3.15 Selwyn. 4.15 *Project UFO.* 5.10 Cartoon. 5.20 Crossroads. 6.00 Day by Day. 6.30 University Challenge. 7.00 Emmerdale Farm. 10.30 Southern News Extra. 10.35 People Rule! 11.05 Twist in the Tale.

TYNE TEES

8.20 am The Good Word, followed by North East News Headlines. 1.20 pm North East News and Lookaround. 4.16 Fangface. 4.45 The Life and Times of Grizzly Adams. 6.00 North East News Headlines. 6.02 Crossroads. 6.25 Northern Life. 7.00 Emmerdale Farm. 10.30 Northern Scene. 11.00 North East News Headlines. 11.05 Invitation Snooker. 11.40 Superstar Profile. 12.10 am Soap. 12.40 Epilogue.

ULSTER

1.20 pm Lunchtime. 4.13 Ulster News Headlines. 4.15 Little House on the Prairie. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Good Evening Ulster. 6.50 Police Six. 7.00 Emmerdale Farm. 10.29 Ulster Weather. 10.30 Counterpoint. 11.15 Family. 12.10 am Bedtime.

WESTWARD

1.20 pm Westward News Headlines. 4.15 Gus Honeybun's Birthdays. 4.18 Project UFO. 5.15 Emmerdale Farm. 6.00 Westward Diary. 7.00 Walking Westward. 10.32 Westward Late News. 10.36 Westward Report. 11.05 Politics West. †11.25 The Thursday Film: "Non-stop New York." 12.45 am Faith for Life. 12.50 West Country Weather and Shipping Forecast.

YORKSHIRE

1.20 pm Calendar News. 4.15 Fangface. 4.45 Salvage 1. 6.00 Calendar (Emley Moor and Belmont editions). 7.00 Emmerdale Farm. 10.30 With a Little Help. 11.00 Luke's Kingdom. 12.00 The Mary Tyler Moore Show.

Radio Wavelengths

1	1053kHz/285m, 1089kHz/275m	3	1215kHz/247m & 90-92.5vhf stereo
2	693kHz/433m, 909kHz/330m & 88-91vhf stereo	4	200kHz/1500m & 92.95vhf

BBC Radio London: 1458kHz, 206m & 94.9vhf
Capital Radio: 1548kHz, 194m & 95.8vhf
London Broadcasting: 1151kHz, 261m & 97.3vhf

RADIO 1

(S) Stereophonic broadcast
‡Medium wave

6.00 am As Radio 2. 6.00 Dave Lee Travis. 9.00 Simon Bates. 11.31 Paul Burnett. 2.00 pm Andy Peebles. 4.31 Kid Jensen. 7.00 Talkabout. 8.00 Mike *Read.* 9.50 *Newsbeat.* 10.00 *John* Peel (S). 12.00-5.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.00 Cricket. 5.04 Steve Jones (S) including 6.03, 7.03 Cricket and 6.15 Pause for Thought. 7.32 Terry Wogan (S) including 8.03, 9.03, 10.03 Cricket, 8.27 Racing Bulletin, 8.45 Pause for Thought. 10.04 Jimmy Young (S) *including* 11.03, 12.03 Cricket. 12.04 David Hamilton (S). 2.03 Ed Stewart's Request Show (S). 4.03 Much More Music (S). 5.00 News. 5.05 Waggoners' Walk. 6.20 Much More Music (S) continued). 6.03 John Dunn (S). 8.02 Country Club (S). 9.02 Alan Dell with The Big Band Sound (S). 9.55 Sports Desk. 10.02 The Peter Goodwright Show. 10.30 Star Sound Extra. 11.02 Brian Matthew with Round Midnight, including 12.0 News. 2.00-5.00 am You and the Night and the Music (S).

RADIO 3

9.55 am Weather. 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's *Composer:* Arnold (S). 9.55 [illegible] (S). 10.25 London Studio Strings (S). 11.00 Geoffrey Bush, song recital (S). 11.45 Rupert Foundation Competition for Young Conductors (S). 1.00 News. 1.05 Bristol Lunchtime Concert (S). 2.00 "The Fisherman and his Wife" by Othmar Schoeck (S). 2.45 Piano Music (S). 3.55 Aeolian String Quartet. Concert, part 1 (S). 4.00 Interval Reading. 4.05 Concert, part 2. 4.55 News. 5.00 Mainly for Pleasure (S) (‡ and mono only from 6.30). 7.15 Talking About Music (S). 7.45 "Possibilities" by Jonathan Raban (S). 8.30 Romance in G by Svendsen (S). 8.40 What Books I Please with Ian Grimble. 9.00 Music in Our Time (S). 9.45 On an Ocean Wave (story by F. Scott Fitzgerald). 10.00 Rupert Foundation Competition: The Final (S). 11.55-12.00 News.

VHF only — 5.50-7.15 pm Open University.

RADIO 4

5.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping forecast. 6.30 Today, including 6.45 Prayer for the Day. 7.00, 8.00, Today's News. 7.30, 8.30 News headlines. 7.45 Thought for the Day. 8.35 Yesterday in Parliament. 9.00 News. 9.05 Checkpoint. 9.30 The Living World. 10.00 News. 10.05 Parent Power. 10.30 Daily Service. 10.45 The Wooden Horse. 11.00 News. 11.05 Analysis. 11.50 Sean's Story. 12.00 News. 12.02 pm You and Yours. 12.27 Detective. 12.55 Weather; programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Listen with Mother. 3.15 Afternoon Theatre. 4.15 Any Answers? 4.45 Short Story. 5.00 PM News magazine. 5.50 Shipping forecast. 5.55 Weather; programme news. 6.00 News. 6.30 Top of the Form. 7.00 News. 7.05 The Archers. 7.20 Time for Verse. 7.30 "Acis and Galatea," English masque by Handel (S). 9.20 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.30 The Hitch-Hiker's Guide to the Galaxy (S). 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 10.03 The Robbie Vincent Telephone Programme. 1.03 pm London Live. 3.03 Showcase. 4.30 London News Desk. 5.35 Look, Stop, Listen. 7.03 Black Londoners. 8.00 The Extra Ordinary Level Show. 8.45 Question Time from the House of Commons. 8.45-5.00 am Join Radio 2.

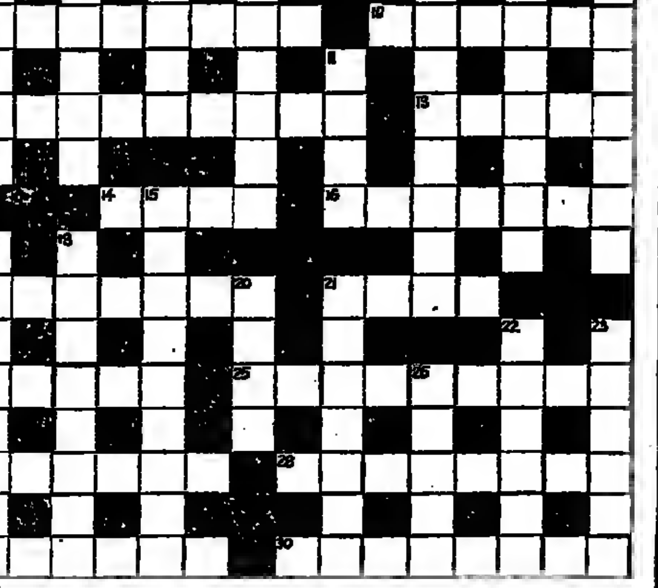
London Broadcasting

5.00 am *AM* with Bob Holness and Douglas Cameron, including interview with Michael Billington. 10.00 The Brian Hayes Show. 12.00 LBC Reports. 8.00 pm Therese Birch — After Eight. 9.00 Geoff Sims — Nightline. 12.00 LBC Reports Midnight. 1.00 am Carol Allen —Night Extra. 4.00 LBC Repeats. 6.00 Morning Music.

Capital Radio

6.00 am Graham Dene's Breakfast Show (S). 9.00 Michael Aspel (S). 12.00 Mike Allen (S). 3.00 pm Roger Scott (S). 7.00 Lord George-Brown's Capital Commentary (S). 7.10 London Today (S). 7.30 Adrian Love's Open Line (S). 9.00 Nicky Horne's Your Mother Wouldn't Like It (S). 11.00 Tony Myatt's Late Show (S). 2.00 am John Sachs's Night Flight (S).

F.T. CROSSWORD PUZZLE No. 4,182



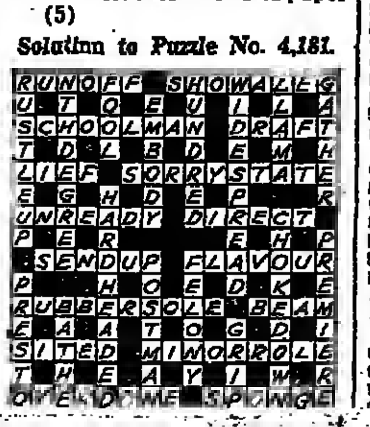
ACROSS

1 Circulate reserve statement of liquidity (4-4)
5 Bird right for gunman (6)
9 So cleric was in debt and grieved (8)
10 Bound double small edition (6)
12 Surround in sudden compassion (9)
13 Physical exercises can produce a nut (5)
14 Stop a race (4)
16 End of broad water conveyors for motorists (7)
19 Fall for farmer (7)
21 Spot eastern leader and be weakly affectionate (4)
24 Underground start of radish root (5)
25 Sweetbread from mountain? (5-4)
27 Sailors around the east now in old battleship (6)
28 Salt auricle in country (8)
29 Tolerate finish in front of river (6)
30 Fruit matured covered in feathers (8)

DOWN

1 Soft-coloured dough left (6)
2 Hit lorry from the south (6)
3 Sweep top of big room (5)
4 Concerning member and howler's action (7)
6 Fresh race for raw material in Fleet Street (9)
7 Dad stole and became scared (8)
8 Enda ruse arranged in vulgarity (8)
11 Second-hand part of previous edition (4)
15 Supreme artist in highest level of society (3, 6)
17 Northerner to release without expense (4-4)
18 Joined syndicate on 1st of December (8)
20 Over-hasty eruption (4)
21 Dig it alone without one finger (7)
22 Leave report describing game on board (6)
23 No longer available to finish affront (6)
26 Land learner in lots of paper (5)

Solution to Puzzle No. 4,181.



ENTERTAINMENT GUIDE

OPERA & BALLET

[illegible]

THEATRES

[illegible]

CINEMAS

[illegible]

THE ARTS

Cottesloe

Hughie by MICHAEL COVENEY

The American film star, Stacy Keach, chips in with a wonderful contribution to Bill Bryden's O'Neill season in this potent monologue that marked the playwright's return to the one-act medium and is an obvious *hors d'oeuvre* to the main meal of *The Iceman Cometh* and its pipe-dreaming hero, Hickey. Ideally, the actor playing Hickey should have taken on Erie Smith, the jaded huckster of bars and racecourses who relives his phoney triumphs through the departed ghost of the eponymous New York night desk clerk.

But misgivings on that schematic front are totally confounded by the exhibition mounted by Mr. Keach. With John Gielgud's Lear to come in this small auditorium in the Autumn and with memories of Constance Cummings's technically virtuoso performance in *Wings* refusing to lie down, one wonders, a shade worriedly, if great acting is about to desert the large classical arena.

That discussion must hang for a while. It is a joy to welcome Mr. Keach, one of that seemingly endless stream of classically skilled Broadway actors who have found a modern and fruitful home in Hollywood. If only the same could be said of our own native traffic from stage to screen! He presents a flawless picture of a seedy Broadway type of the late 20s, a sort of five-dimensional Damon Runyon character fresh from an hallucinatory bender and anxious to rest up in familiar surroundings.

Mr. Keach fair rocks and rolls with the language of this washed-up no-hoper, taking you for a real ride from start to finish:

"I got some dough ridin' on the nose of a turtle in the 4th at Saratoga. I hear a story he'll be so full of bop, if the joc can keep him from jumpin' over the grandstand, he'll win by a mile."

The appearance, with its slightly dented raffishness and sense of exhausted relaxation, is perfectly worked out. The tentative relationship with the new night clerk (Howard Goorney) of the flea-bag hotel is brilliantly organised, Mr. Bryden filling in the silences with sad blasts of city noise and the design and lighting of Hayden Griffin and Andy Phillips conjuring a world elsewhere, but also on the doorstep.

It only takes an hour to sit through, but then so does Beckett's *Happy Days* or Pinter's *The Lover*. Is Erie a misunderstood chiseller, or is he just a romantic bum with nothing to do but bore the pants off whoever will listen? There is a marvellous moment when, with Mr. Keach in full flight, Mr. Goorney stares palely out front as if to assume his allotted role of complimentary echo chamber, sinking his own existence in the stories flying about his sallow features. At the end of the day, Erie is just another key number, 492, and tomorrow will herald interminable re-runs of the late-late show.

Stacy Keach

Theatre in the Round, Scarborough

Suburban Strains

by ANTONY THORNCROFT

Alan Ayckbourn's latest piece, presented first, as usual, at the Theatre in the Round in Scarborough where he is director, finds him on familiar territory; the angst of middle-class suburbia; but with a new compass. *Suburban Strains* is a musical play; not a musical as in Ayckbourn's ill received co-operation with Andrew Lloyd Webber, *Jeeves*, but a more modest venture in which Ayckbourn characters, in typical Ayckbourn situations, mouth typical Ayckbourn solecisms against the periodic outbursts of Paul Todd's music. The songs come suddenly upon them, enabling the actors to see themselves, and their predicaments, more roundly.

"Round" is the apt word for this production. It is played "in the round," and the characters are more rounded, at least in their view of themselves, than in past Ayckbourn. The subtleties; the gestures that tell all; the instant recognition of type by give-away phrase or attitude, which are Ayckbourn's trademarks, are replaced here by the truths pouring out, sometimes in the most direct, soul searing dialogue that he has written, sometimes in the songs which in their insights leave the background comedy of manners looking a bit wooden.

And *Suburban Strains* is rounded because the plot encompasses a circle; solving none of the problems of the main character, Caroline, but suggesting, at the end, that she is better able to live with them. Caroline is a schoolteacher, the *victim of her own niceness*. Taking everyone on face value she is duped by her shiftless husband, Kevin, a permanently resting actor, and then by Matthew, the first man to pick her up after the marriage flounders, a nit-picking doctor who attempts to turn everyone into his own precise image. The plot is sad and real and beautifully observed with Ayckbourn scoring far too many good jokes off the pathetic Caroline.

Once again his unrivalled technique with mealtimes comes into play as the dinner party in which Caroline re-emerges into the world after the break up of her marriage merges with the earlier dinner party that followed her first fight with Kevin. The way in which time and space weave in and out; nip and tuck on the circular revolving stage, shows Ayckbourn's theatrical adroitness in top gear. In "Table Talk," the song that bridges the acts and the dinner parties, he has the company indulging their preoccupations—gossip, seduction, car overhaul, cuisine, and, in Caroline's case, personal trauma, in, appropriately, a round that jumps years and affairs.

Most of the seven strong cast play several parts which intensifies the feeling of marital claustrophobia, the theme, if any, of the play. Stretching over three hours there are plenty of scenes to chop—Caroline's father's reverie of the old days leaps quickly to mind—and some of the secondary characters, broadly played, could also be cut down to size. But Paul Todd's music, with occasional echoes of Julian Slade, is atmospheric and appealing, and Lavinia Bertram as Caroline is quite marvellous, sympathetic without being sickening. The most recent Ayckbourn plays to reach London showed some exhaustion, a flagging of interest in Haywards Heath Man; *Suburban Strains* does not have a Shaftesbury Avenue look at the moment but in its simplicity and charm is all the better for that.

BASE LENDING RATES

A.B.N. Bank	17 %	■ Guinness Mahon	17 %
Allied Irish Bank	17 %	■ Hambros Bank	17 %
Amro Bank	17 %	■ Hill Samuel	§17 %
American Express Bk.	17 %	C. Hoare & Co.	†17 %
Henry Ansbacher	17 %	Hongkong & Shanghai	17 %
A P Bank Ltd.	17 %	Industrial Bk. of Scot.	17½%
■ Arbuthnot Latham	17 %	Keyser Ullmann	17 %
Associates Cap. Corp.	17 %	Knowsley & Co. Ltd.	18½%
Banco de Bilbao	17 %	Lloyds Bank	17 %
Bank of Credit & Cmce.	17 %	Edward Manson & Co.	18 %
Bank of Cyprus	17 %	Midland Bank	17 %
Bank of N.S.W.	17 %	■ Samuel Montagu	17 %
Banque Belge Ltd.	17 %	■ Morgan Grenfell	17 %
Banque du Rhone et de la Tamise S.A.	17½%	National Westminster	17 %
Barclays Bank	17 %	Norwich General Trust	17 %
Bremar Holdings Ltd.	18 %	P. S. Refson & Co.	17 %
Brit. Bank of Mid. East	17 %	Rossminster	17 %
■ Brown Shipley	17 %	Ryl. Bk. Canada (Ldn.)	17 %
Canada Perm't Trust	17 %	Schlesinger Limited	17 %
Cayzer Ltd.	17 %	E. S. Schwab	17 %
Cedar Holdings	17 %	Security Trust Co. Ltd.	18 %
■ Charterhouse Japhet	17 %	Standard Chartered	17 %
Choulartons	17 %	Trade Dev. Bank	17 %
C. E. Coates	17 %	Trustee Savings Bank	17 %
Consolidated Credits	17 %	Twentieth Century Bk.	17 %
Co-operative Bank	*17 %	United Bank of Kuwait	17 %
Corinthian Secs.	17 %	Whiteaway Laidlaw	17½%
The Cyprus Popular Bk.	17 %	Williams & Glyn's	17 %
Duncan Lawrie	17 %	Yorkshire Bank	17 %
Eagil Trust	17 %		
E. T. Trust Limited	17 %		
First Nat. Fin. Corp.	18½%		
First Nat. Secs. Ltd.	18 %		
Robert Fraser	18 %		
■ Antony Gibbs	17 %		
Greyhound Guaranty	17 %		
Grindlays Bank	‡17 %		

■ Members of the Accepting Houses Committee.

* 7-day deposits 15%, 1-month deposits 15¼%.

† 7-day deposits on sums of £10,000 and under 15%, up to £25,000 15¼% and over £25,000 15½%.

‡ Call deposits over £1,000 15%.

§ Demand deposits 15%.

Architecture

Victorian opulence by COLIN AMERY

If your feet are still aching after a long visit to the Post Impressionists or your head is still confused by the complexity of the Thirties exhibition there is a cure. At the Heinz Gallery at 21 Portman Square W1 until March 1, there is a small, clear exhibition about the work of one intriguing Victorian architect and interior designer.

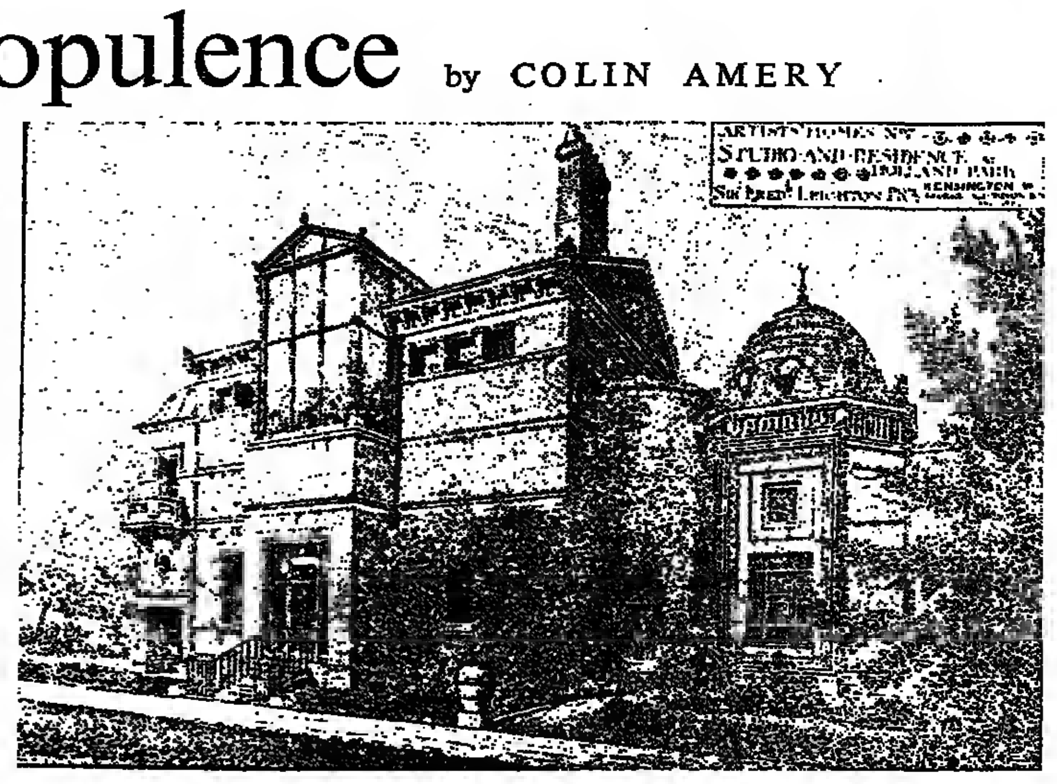
George Aitchison (1825-1910) has suffered from the twentieth century's early dislike of things Victorian. He designed some of the most sumptuous of Victorian *interiors. His clients were* rich and artistic—a kind of aesthetic fast set — and their houses must have been overbearingly opulent and artistically adventurous. Alas, the twentieth century found Aitchison's rooms were far too rich and indigestible and very little of his work has survived, with the honourable exception of the house he built for the artist Lord Leighton in Holland Park.

This exhibition's full title is *George Aitchison: Lord Leighton's Architect*, and it concentrates on the work that Aitchison did for and with artists. While his success was closely linked to the artistic triumphs of Lord Leighton and the decorated halls of Leighton House Aitchison's talent can now be seen to have been a potent one. His coloured drawings of interiors are vivid and intricate. They reflect a very Victorian preoccupation with the desire to design settings that cast a glow of some past richness upon the present. Aitchison travelled in Italy with artists like Leighton and Edward Poynter and the architect William Burgess. The topographical drawings and paintings that he produced are shown in this exhibition and indicate the source of his interest in colour and *decoration.*

From these extensive travels in Italy and France Aitchison developed the distinctive flavour of his work, and the commission to build Leighton House in the early 1860s provided him with a remarkable opportunity to realise some of his Renaissance dreams. The house is more remarkable for its interiors than its rather curious exterior and even today the flavour of a house belonging to an artist in Renaissance Italy is all pervasive. His real triumph came in 1877 when he added the Arab Hall to Leighton House. This is his most remarkable achievement, and it is finely shown in this display by the most detailed and immaculate drawings. Lord Leighton, who clearly wanted to live in one of his paintings, had acquired a huge collection of tiles and pottery and the Arab Hall is the setting for this. The actual plan of the room is based on a hall of the twelfth century Moslem palace of La Ziza in Palermo, and Aitchison incorporated tiles by William de Morgan and a mosaic frieze by Walter Crane.

Most of his other London interiors have completely disappeared and it is fascinating to see his precise drawings with their (to our eyes today) wild combinations of colours. Houses in Belgrave Square and Berkeley Square are shown with rooms that are rose, blue and green and all with black woodwork and gold inlay. The work of artists was always incorporated, panels by Leighton and Val Prinsep and a frieze of peacocks by Albert Moore. These rooms are full of the atmosphere of artistic life in London in the 1870s and it is sad that so few of them survive.

This small exhibition has many virtues. It is a pleasing display of the work of a largely forgotten architect whose drawings show that he is well worth another look. It is far more agreeable to consider him in the artistic context of his times—somehow this makes his opulent interiors acceptable to our more austere tastes. The exhibition is organised by Margaret Richardson and designed by Jane Preger and is open from 11 am to 5 pm Mondays to Fridays and 10 am to 1 pm on Saturdays.



Leighton House, Holland Park; by George Aitchison

Royal Court

Trees in the Wind

by ANTHONY CURTIS

The main auditorium of the Royal Court is being given over until the end of next month to short runs of productions by visiting companies. This week it is the turn of the 7:84 Company who are presenting Penny Cherns's production of *Trees in the Wind* by John McGrath. Mr. McGrath is a Marxist who founded this company almost a decade ago to bring his own kind of politically aware theatre to the people. Better a bad night in Bootle he believes than a good night at the National. If this sounds somewhat daunting I should add that he is a gifted and able writer who has arrived at his present position through working successfully for many years within the system, as he would call it. His most popular success has been the original television series *Z-Cars* which he started with Troy Kennedy-Martin.

Mr. McGrath believes that the theatre should be "interventionist," that is to say it should take an aggressive stand on current political and social issues, and work towards bringing about a radical change in the structure of society. He developed why and how he thinks it should do so in a lecture, "The Theory and Practice of Political Theatre," delivered at King's College, Cambridge last year, printed in the current number of *Theatre Quarterly*, which I suspect will become the classic statement of the aims of the counter-theatre movement in this country.

Trees in the Wind all happens in a three-girl flat during one evening of 1971. It was seen originally in London and Edinburgh in that year after which it was revived in a production by the present director at the Northcott Theatre, Exeter in 1975. The three flatmates have separate living areas, "cubes within a cube" but they wander in and out of each other's rooms at will. Each has a heightened, political consciousness which takes the form for two of them of an obsession with documentation. One girl Aurelia (Tina Marian) spends all her time collecting examples of human bestiality and cruelty in contemporary life, which she records into a tape-machine; another Carlyle (Annie Hayes), an ex-actress, is membership secretary of the Workers Revolutionary Party. She has a mini-library of revolutionary ideology at her bedside from which she is for ever quoting to try to make some sense of her life. Needless to say, the quotes do not help much. The third girl Belle (Cecily Hobbs) has a more practical outlet for her dissatisfactions. She is a psychiatric social worker constantly in the company of lonely and disturbed people whom she tries to console.

The beginning of the play, where these attitudes are established, does not have much momentum, though it is a change not to hear girls in this situation exchanging trivia. They all harp on the repression of women uttering attitudes that already seem merely historical. What saves the play from lapsing into a kind of sub-Shavian preachiness is the fact that these girls have peculiarly individual problems comical to behold in combination with such earnestness. They may talk like revolutionaries but they behave like real women, although as history proves the two roles are by no means incompatible.

Belle has a boyfriend who has ditched her for the daughter of an American senator. The entertaining episode when his farewell letter arrives and the others give her support is pure Shaftesbury Avenue. Her submerged femaleness, subtly brought out in her body language and self-obsession, really breaks through with the arrival of a man in the flat in the shape of Joe (Philip Donaghy) who comes to see Carlye because he wants to resign from the PRP.

An ex-cat-burglar, Joe has decided to join the boss class by starting his own contracting company and become a respected member of the Establishment. In the meantime, though, he tries unsuccessfully to bed each of the girls. In their various confrontations with him we now get a sharp definition dramatically of their attitudes. Their recitative is interrupted by arias (they are called "songs" but not actually sung) which provide some of the play's liveliest moments. In one, a girl sits on Joe's shoulders with another crouching beneath his feet, to represent the inmates of a tower block; in another part Mao's history of the Revolution in China is set off against the story of Joe's slum upbringing.

Joe has many functions: among them that of joker, lecher, fixer, realist, disillusioned revolutionary and demon king. Mr. Donaghy's performance, leery and beery with stabs of insight, brings out the complexity of the role rather well. As for the girls, they are a pretty shrill trio of Furies. Mr. McGrath tries to build the play around this chorus of female lamentation. Considering how long the production has been on the road I felt the lamenters could have sounded more pointed and poignant than they did.

Collegiate

Gazzaniga's Don Giovanni

by RONALD CRICHTON

The Opera Viva company has put us in its debt by presenting the first performance in this country of Gazzaniga's *Don Giovanni*, produced in Venice a few months before Mozart's version of the same story saw the light in Prague, in 1787. The fact that it turns out to be a minor effort does not diminish gratitude. Gazzaniga, 13 years older than Mozart, was a Veronese trained in Naples and active mainly in Venice. He had a successful career, with more than 50 operas to his credit. His librettist for this one was Bertati, who later wrote *Il matrimonio segreto* for Cimarosa. Their *Don Giovanni*, though it is not known to have reached Vienna where Mozart was working, is justifiably held to have been closely studied by him and by his librettist, da Ponte.

Much the same characters and events are crammed into four scenes and one act—this production inserted an interval, after the rather tame quarrel duet between Elvira and Maturina (Zerlina) at the end of scene two. It is not so much a question of compression — as well as Anna and Elvira there is a Donna Ximena, treated by Giovanni much like the others, and not developed, also a comic cook for the supper scene—but by allowing Anna, Biagio (Masetto) and Ottavio to slip wholly or largely out of view. Many moments are treated in recitative which Mozart and da Ponte recognised as opportunities for solo or ensemble.

This is not to belittle Gazzaniga. Nobody should be blamed for not being Mozart. The piece is still acceptable, with reservations, as a kind of Italian *singspiel* with recitatives, light operatic entertainment on a modest level. You must forget Mozart. And if you can't, Gazzaniga provides a salutary lesson in the overwhelming difference between great genius and ordinary talent.

Two things must strike anybody. Firstly, Edward Dent was right when he complained (in so many words) that there were no striking tunes or memorable phrases. Secondly, though it is short in point of time, this *Don Giovanni* feels long because dramatic and musical pace are slow. Some of this may have been due to Opera Viva's conductor, Timothy Dean. On Tuesday, at the second of the two performances, though Mr. Dean dealt ably with fast numbers, anything moderate or slow lost impulse—I don't recall an opera performance when the singers so often adjusted or contradicted a speed.

Vernon Mound produced, Candida Boyd was the designer. For the most part results were pleasing in an easy-going way. The singing was generally decent, sometimes more than that. Giovanni, like all the men except the Commendatore and Biagio, is a tenor. Gary Bennett's light-voiced but graceful, dapper singing was a pleasure to hear. Otherwise, and as far as their roles allowed, the most interesting were the Anna (Malmfrid Sand) and Ottavio (Frederick Bateman). Tania Croft-Murray (Elvira) and Christopher Webber (Pasquariello) worked hard, often to good effect, in their long parts—the catalogue aria here becomes a duet. Recitative (the determinedly jokey English version is by Andrew Wickes and Christopher Webber) were lively and clear.

Wilde and Shaw at Malvern

The Malvern Festival has announced that the plays at the 1980 Festival will be Bernard Shaw's *Heartbreak House* and Oscar Wilde's *Lord Arthur Savile's Crime*. They will be specially mounted for the Festival by Triumph Productions and will be played in repertory from May 19 to 31.

The casts will be headed by Anthony Quayle, Barbara Murray, Honor Blackman and Patrick Cargill.

John Whiting award

The John Whiting Award has been presented to Vince Foxall for his play *Gestures*, first produced at the Brum Studio, Birmingham Repertory Theatre.

The John Whiting Award, administered by the Arts Council, was instituted in 1965 to commemorate the late John Whiting and his contribution to post-war British theatre.

The award of £1,500 is given for work which demonstrates a new distinctive development in dramatic writing and is particularly relevant to contemporary society.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume, retail sales value (1971=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unemployed	Vacs.
1978							
3rd qr.	111.3	104.8	103	110.7	266.6	1,380	213
4th qtr.	110.3	103.1	103	111.7	273.0	1,340	230
1979							
1st qtr.	109.6	102.1	97	110.3	276.4	1,351	234
2nd qtr.	115.3	107.7	107	116.7	297.3	1,299	256
3rd qtr.	113.1	103.1	101	110.1	300.5	1,269	247
July	116.4	107.6	98	108.7	294.4	1,279	253
August	112.0	101.6	104	111.5	304.3	1,263	243
Sept.	110.9	100.0	101	110.0	302.3	1,264	243
Oct.	112.3	103.3		111.4	309.5	1,282	237
Nov.	113.5	104.7		113.8	317.3	1,282	234
Dec.				113.5		1,294	219
Jan.						1,339	207

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1978							
3rd qtr.	108.4	99.0	122.7	100.2	99.2	103.7	23.0
4th qtr.	106.0	96.9	124.0	96.9	99.0	102.4	20.2
1979							
1st qtr.	105.5	98.8	126.3	98.3	98.8	99.1	12.9
2nd qtr.	109.3	103.3	133.4	102.9	110.7	103.6	21.3
3rd qtr.	105.6	95.6	132.6	94.6	105.1	101.3	20.7
July	108.0	102.0	136.0	102.0	115.0	101.0	22.6
August	105.0	95.0	131.0	93.0	93.0	100.0	18.3
Sept.	104.0	90.0	131.0	88.0	107.0	103.0	21.2
Oct.	105.0	98.0	130.0	96.0	100.0	98.0	20.9
Nov.	107.0	99.0	131.0	98.0	100.0	100.0	19.2

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£bn); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1978							
3rd qtr.	123.9	115.4	−0.367	+0.299	−501	106.1	16.55
4th qtr.	123.9	112.9	−0.039	+0.614	−480	106.9	15.77
1979							
1st qtr.	109.4	117.2	−1.610	−1.238	−234	108.0	16.78
2nd qtr.	136.7	131.4	−0.682	−0.575	−227	107.9	21.69
3rd qtr.	132.3	129.5	−0.406	−0.220	−166	108.5	23.18
4th qtr.	132.8	129.1	−0.535	−0.385	−177	106.1	
August	130.7	131.4	−0.194	−0.132	−130	108.4	22.30
Sept.	132.0	129.3	−0.185	−0.123	+ 8	107.1	22.75
Oct.	128.6	134.1	−0.418	−0.368	− 85	106.4	22.49
Nov.	133.7	125.0	−0.045	+0.005	− 12	106.1	22.42
Dec.	136.1	128.1	−0.072	−0.022	−104	105.7	22.72

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1978							
3rd qtr.	17.2	8.1	4.2	+ 572	746	1,559	10
4th qtr.	14.9	11.9	8.6	+1,774	878	1,584	12½
1979							
1st qtr.	7.6	9.3	32.6	+1,524	777	1,583	13
2nd qtr.	9.7	17.2	28.5	+2,705	777	1,868	14
3rd qtr.	11.5	9.9	13.2	+2,414	933	1,879	14
August	6.1	12.4	29.8	+1,057	293	634	14
Sept.	11.5	9.9	13.2	+ 925	411	616	14
Oct.	15.7	15.1	14.6	+1,550	544	663	14
Nov.	6.3	13.1	19.1	+1,257	134	691	17
Dec.	4.6	12.1	16.2	+ 253	161		17

INFLATION—Indices of earnings (Jan. 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (Dec. 1971=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1978							
3rd qtr.	133.2	144.9	154.8	199.2	206.2	253.74	62.4
4th qtr.	136.4	147.1	157.3	202.6	208.0	257.69	62.7
1979							
1st qtr.	144.2	153.4	161.6	208.9	218.8	268.83	64.0
2nd qtr.	147.3	163.3	168.0	216.5	225.2	293.55	67.4
3rd qtr.	154.1	169.9	176.4	231.1	231.9	301.66	71.0
July	155.6	168.1	174.8	229.1	231.2	278.92	71.9
August	153.3	169.1	176.3	230.9	231.8	290.04	71.4
Sept.	153.6	172.5	178.2	233.2	232.6	301.66	69.8
Oct.	158.1	178.1	180.3	235.6	234.8	291.34	66.9
Nov.	162.2	181.5	186.1	237.7	237.0	297.22	69.6
Dec.		186.7	183.0	239.4	239.9	295.13	70.2

* Not seasonally adjusted.

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A hard line in Moscow

THERE IS something deeply ironic about the way in wbich the leaders of "scientific Communism," have stripped their most illustrious scientist of bis official prizes and consigned him to internal exile. They bave clearly been itching to silence Dr. Andrei Sakharov for years. The only thing which held them back was not their self-doubt about the wisdom of a system which treats its intellectuals in this way but apprehension about the effect that this would have on international opinion. In the aftermath of the Afghanistan invasion they appear to have decided that international opinion no longer constitutes a restraint on their freedom of action. Having already been denounced by the U.S. and its allies and the Third World at the UN the Kremlin appears to have decided that it might as well he hung for a sheep as a lamb.

Fickleness

It is up to the non-Communist world to make clear to the Soviet leaders that such cynicism is not justified. In making this sort of calculation the Kremlin is banking on wbat it sees as the fickleness and lack of unity of the West. The men who invaded Prague are still in power. They remember how soon the West accepted the *fait accompli* of a re-occupied Czechoslovakia. They also took note of the distinct lack of western solidarity behind President Carter's efforts to secure the freedom of the U.S. diplomats held hostage in Teheran.

The initial West European and Japanese reaction to Afghanistan furthermore also showed a tendency to see events there as primarily affecting Soviet relations with the third world. From this followed a reluctance to follow the American line which saw the invasion of Afghanistan in starker terms as a threat to the non-Communist world as a whole. There is some justification for the idea that events in Afghanistan may have their most important long term effect in terms of future Soviet relations with tbe third world. But this bas also served, in part at least, as a rationalisation of the reluctance of countries like West German, France and Italy to jeopardise their extensive commercial links and the benefits of detente in Europe.

Trade links

Such reluctance is understandable. West Germany in particular has its own special pre-occupation with East Germany aod Berlin. The French and Italian governments have large Communist parties to think of. All of them have far more extensive trade and other links with the Soviet Union than the UK which for these, and ideological, reasons, has lined up most enthusiastically behind the American line.

Whatever the reasons the fact is that Western Europe bas not yet heen ahle to show a united front over the appropriate responses to the invasion of Afghanistan.

This lack of unity has helped the Soviet leadership to continue to believe that the Olympics may still take place, more or less as planned, in Moscow, and that they will still be ahle to get most of the industrial and other goods they require from the West. What is more they must also have thought that with luck and skillful diplomacy they still might be able to drive a *wedge* between the U.S. and Western Europe by concentrating any future "peace offensive" on Europe once they feel that the dnst has died down over Afehanistan.

But *all* this was before the banishment of Dr. Sakharov, the culminating act in a coordinated pre-Olympic purge of dissidents and other "undesirables." By this act the Soviet leadership probably hopes both to *intimidate its own citizens* and stop any criticism from being communicated to world opinion outside.

Bnt the Soviet leadership's desire to suffocate dissident views and repay President Carter personally for his original intervention in support of Dr. Sakharov has drawn attention once again to the internally repressive and externally aggressive stance of the current Soviet leadership. By so doing it bas stiffened the resolve of those determined to make the Soviet Union pay a high price for its Afghan adventure and silenced those who, up to now, were arguing in favour of a strictly limited response to Soviet actions.

Response

By its own actions once again the Soviet leadership may help to create tbat united Western response which bas so far been lacking. France for one has been singularly unwilling to join a common front. But in the wake of Dr. Sakharov's banishment, M. Chaban-Delmas felt obliged to cut short his visit to the Soviet Union, and even the Communist Party leader, M. Georges Marchais, bas been embarrassed. The Soviet Union had few enough apologists for its current hard line. Now it no longer has even those.

Local freedom at a price

THE GOVERNMENT and those who voted for it will certainly be disappointed at the estimate by the Centre for Environmental Studies — an exercise generally regarded as reliable—that local rates will rise by an average of more than 26 per cent in April, and may well wonder ruefully bow this can result from programme cuts of 3 per cent in the current year, and 5 per cent below previons plans in 1980-81. While a few councils bave rebelled against these cuts, most are complying.

Block grant

The Government's new system of control over its own contribution to local authority finances, a more or less fixed block grant rather than a fixed percentage of actual spending, is, of course, designed to ensure that where *local* anthorities ignore the Government's intentions, ratepayers must foot the bill. However, this does not account for a country-wide overshooting of the kind now in prospect. The main reason, according to both the CES and the local authority financial officers, is that the local anthorities take a very different view of inflation from that implied in the Government's cash limits.

When cash limits are used in an attempt to restrain costs — including wage costs — and enforce economy, some gap of this kind is inevitable. Local authority finance committees, which cannot resort to deficit financing, must prepare for the worst, even if the Government *prefers* to hope for the best.

Insupportable

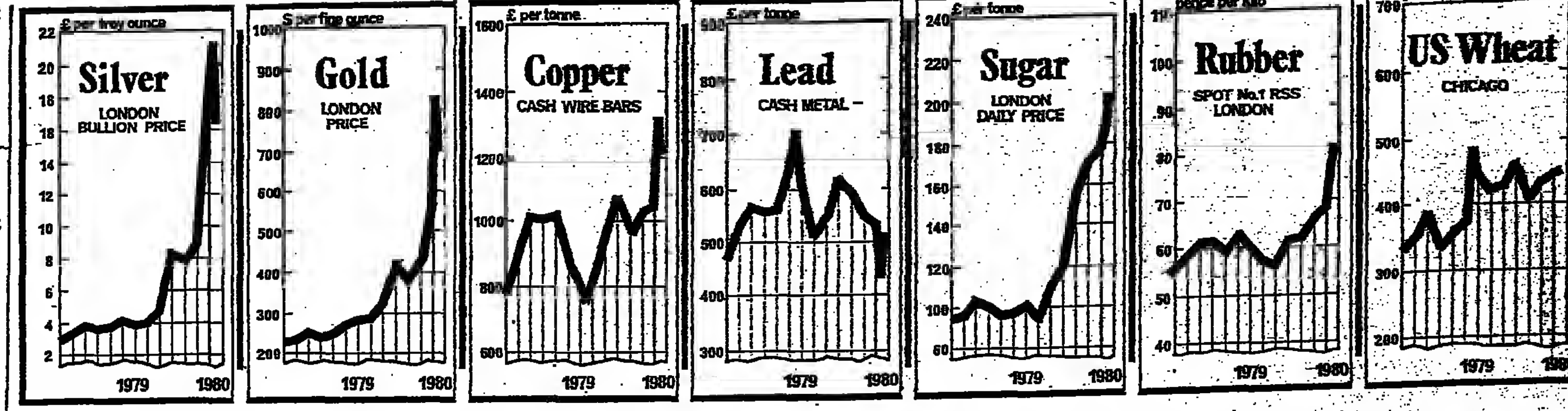
This process is almost bound to throw a slowly increasing share of the financial burden of *local* services on to local revenue; it is important therefore that the gap between plans and realities should not be too great. Another year or two of the kind of wishful allocation seen in the past two years would throw an *insupportable* burden on to what the Government itself recognises as a crude and unsatisfactory local tax system. The experience of the current inflation increases the urgency of reforming the rating system itself.

A unitary grant system, which is in itself a welcome combination of freedom and discipline, therefore demands reasonably realistic financial planning *if* it is not to cause unintended trouble; and planning may also prove *an acute problem in the* new system of capital controls which has been introduced. This effectively means that on the capital side of the programme, local authority freedoms have been reduced. Of course it was desirable to prevent resort to leasing, or huge charges on the ratepayer, as a way of squeezing vain glorious projects inside Government limits; but to some extent this flexibility was deliberate. It made allowance for the fact that Whitehall cannot always make the best decisions about local capital spending, on the basis of the rather crude measures of need which are in use.

Interference

In place of this kind of freedom, Mr. Heseltine has introduced new freedoms. While local authority capital needs will still he assessed programme by programme, as in the past, local anthorities will be free to spend the permitted sums as they wish. This is very welcome, and so is the freedom from the old Parker Morris and cost yardsticks which governed the biggest item in many local authority programmes, bousing. *The story of* official interference in local housing design—notably the encouragement of high-rise development and industrialised building—has been an expensive social tragedy. Local decision can hardly do much worse.

It would be idle to pretend, though, that the new controls and the new freedoms make much better sense of the old dilemmas of local freedom and central financing. There will be less grumbling about interference, but more about "unfair" spending limits. Real solutions may have to wait on better financial conditions.



THE COMMODITY MARKETS

BY JOHN EDWARDS

A new breed of speculator

A NEW breed of speculator is creating havoc in the world commodity markets. The main impact has, so far, been felt in the gold, silver and platinum markets. But it is now spreading to other, more basic, commodities and causing considerable alarm. Daily price fluctuations in some markets are now equalling, or exceeding, the kind of changes that would have occurred in a month or even a year only a short time ago.

The repercussions of violent price movements in raw materials obviously affects producers, industry and the eventual buyers of finished products. But in the short term there is an immediate effect on the financial community in view of the huge sums involved, with fortunes being made or lost on a daily basis.

Earlier this week the West German Federal banking supervisory office limited the amount that German banks may hold in gold and silver and it can be assumed that other Governments must be seriously concerned about the chaos in the metal markets.

The flight into gold, and raw materials, generally has been going on for several years. It dates back to the break-up of the Bretton Woods system, the collapse of the dollar, and inflation creating a fundamental distrust in the value of "paper" money. In times of crisis it is natural to seek protection in raw materials, even though they do not yield interest or dividends. Increasingly private individuals, and now large financial institutions, haev diverted patr of their investment portfolios into gold and perhaps other metals.

Flight from 'paper'

The eruption of a new oil crisis last year, and subsequently the U.S. conflicts with Iran and with Russia over Afghanistan have speeded up the flight away from "paper" money as the value of the dollar fell. It was greatly increased as the oil-exporting conntries because disillusioned with the dollar and sought alternative outlets for the huge sums pouring in as the price of oil was raised again and again. Their first obvious choice, based on the traditional hoarding instinct, was gold and then other precious metals. Now there are signs that they are planning to diversify further into base metals and other commodities—either directly or by providing funds for market support operations to help the Third World.

However, tha inflow of petrodollars into precious metals, bolstered by large sums as well from western institutions and private speculators like Mr. Nelson Bunker Hunt, the Texas oil billionaire, has already created considerable disruption. The link between gold and other metals and commodities was considerably strengthened at the begining of 1975 wben the U.S. lifted the ban on private citizens owning gold, allowing the introduction of a gold futures market in the commodity exchanges in Chicago and New York. There are, of course, several other links since gold is mined, just like other metals; has some industrial uses in competition with platinum and silver; and is a store of wealth just like cattle or grain.

If gold moves up in price, it is argued that other products which it can buy should also rise especially as the cost of producing all raw materials is increasing in line with the cost of oil. There is also a domino effect in the markets. Speculators seeing the rise of gold and silver prices were tempted to jump on the bandwagon. Having made large profits as the market continued to soar, they were then attracted to go into other commodity futures markets — often using the money made on gold as their deposit for speculating in copper or sugar. This kind of pyramiding, based on margins of only 10 per cent of the total investment, is extremely profitable while all is going well. But once something goes wrong in one market the whole structure can quickly collapse, as was graphically demonstrated in the great Wall Street crash in 1929 when fortunes built up on margin trading were quickly wiped out. Bearing works both ways.

There are many similar stories in the commodity markets these days. Speculators who bave made a million on Monday this week were turned into paupers by Wednesday by the sudden turnround in gold and silver. This is especially the case in the U.S., where profits made in one market can be used to finance margins in other markets. So as well as being wiped out in gold, the speculator would also have to sell his copper or sugar holding even if the prospects looked good.

Higher margin insistence

So far companies trading in commodities have not been badly hit simply because prices have been going up, enriching them and their clients. The testing time will come once there are losses to absorb—that is when previously valued clients turn into debtors and the broker suddenly is left without commissions.

It is for this reason that brokers have been insisting on higher and higher margins and some have even thought it wisest to withdraw from the gold and silver markets completely for the time being. There have been some casualties. Most professional speculators admit to having lost money in gold and silver by following normal trading practices; they simply did not believe that the price rises could be sustained for so long and to such a high level. But being professionals, they have mainly cut their losses early and stopped trading. The absence of selling by these professionals has been an important factor in prices being driven up. Usually they provide a calming influence but this time they bave been overwhelmed by the strength of buying demand.

Much the same applies to industrial users. The futures markets are supposed to provide buyers and sellers of the actual commodity with a means of obtaining protection against unpredictable price fluctuations. But the markets are no longer moving in line with the traditional supply and demand influences. Instead, they are being controlled by the weight of money being poured in by "outsiders" not concerned so much with the commodity but with protecting or increasing the value of their funds. So industrial users, faced with the prospect of putting up huge margins to secure rather inadequate protection, have in the main preferred to stand aside.

This in turn has increased the dominance of speculators in the market and further distorted price movements. It is claimed that speculators on average lose money in the commodity markets in the long run. However, during the past six months they have been riding high, although much of the profit made has been fed back into the markets providing a cushion against possible losses. While it is true that every profit made is matched by a loss it may be some time before these losses are felt if the boom in prices is maintained. Only when there is the inevitable crash will the full impact be felt. It follows that the longer the boom, the bigger the subsequent crash.

To be fair not all the commodity markets are in the grip of speculators. They have confined their activities mainly to markets where there is a shortage of supplies to be exploited as in silver and platinum, or to markets where prices were depressed and needed to rise in line with the increased costs of output like copper and sugar.

Shortage of supplies

There have been special situations in lead and tin, creating a shortage of immediately available supplies, and natural rubber has been boosted by its improved competitiveness with its oil-based synthetic competitor, even though demand prospects are far from good. On the other hand, in the depressed cocoa and coffee markets, for example, prices have fallen back simply because speculators did not consider there was much potential for them to rise much higher.

In itself this is not unusual; there was a somewhat similar situation in the 1973/74 commodity boom. But this time there are several new worrying features that are creating anxiety among commodity companies, even while they are banking bumper profits.

First there is the size of the speculative funds now coming into the markets.

In the past it has been argued that speculators can only control markets for a relatively short time before the natural forces of supply and demand reassert themselves. Now there are doubts whether this would be trua if the oil-exporting countries were to step up their activities even in a modest way. At one time it would have been unthinkable for speculators to be abla to buy up all the market stocks of any major commodity; now it is possible and indeed is threatened in some metal markets given the concentration of wealth especially in the hands of oil producers.

This is all very well with gold, which is not a vital raw material, but it is an entirely different matter with copper—an essential raw material for many industries. It is a frightening thought that speculators may be able to buy up the 100,000 tonnes of copper held in the London Metal Exchange warehouses if they chose to do so. Admittedly this kind of cornering has been tried in the past with only mixed success, but the resources available to speculators are probably greater than ever before.

It is feared that the market mechanisms may simply not be able to cope. Already in the U.S. the exchanges have been forced to introduce severe restrictions on trading in gold and silver futures and at one stage limit copper trading.

The chaos in the U.S. markets has greatly strengthened the hand of the regulatory agency, the Commodities Futures Trading Commission, in seeking to increase its battery of controls.

London traders, while welcoming the prospect of new business, are frightened that speculators discouraged by the restrictions in the U.S. will turn their attention to the British markets in a much bigger way and create similar disruption bere. It could hardly come at a worse time. One side effect of the abolition of UK foreign exchange controls was to diminish the control over commodity trading in London previously exercised by the Bank of England. It was able to regulate the markets under the threat of withdrawing foreign exchange concessions if a company or market misbehaved. That power has now gone and has only been replaced by a much weaker voluntary arrangement.

What London traders fear is that if the markets do get out of control under the weight of speculative money, the Government might be tempted to step in and impose restrictions similar to those in the U.S. In the view of many London dealers, President Carter set an ominous precedent by virtually forcing the closure of the U.S. grain markets when announcing the embargo on sales to the Soviet Union. They are worried too at the action of the world's leading trader in commodities deciding to tear up sales contracts for political reasons. The sanctity of contracts is vital to commodity trading and if the U.S. decides to break its word, for whatever reason, it sets a dangerous example for others to follow.

Alternative wealth

While the present uncertainty continues in the world's monetary system, it is difficult to see normalcy return in commodity markets. They are, after all, an alternative form of wealth increasingly preferred to "paper" money. A bloodbath in the form of a sharp drop in prices could drive some people out—particularly the small investor trying to get rich quickly. But the sophistication in the methods of trading, practised by the big speculators, and their ability to weather the storm, suggests that a substantial proportion of funds, especially petro-dollars, will remain in commodities.

Commodity trading is now very much a money game. London brokers coming into their offices nowadays first of all check what has happened to gold and the overnight markets, then events in the currency markets. Only then do they turn to such mundane events as a strike at a copper mine, or a frost in Brazil which in the past used to determine the movement of commodity prices.

MEN AND MATTERS

Taking a flyer in New York . . .

"We are going to appoint one really good chap on the west coast and another in New York," says Tony Crook, chairman and managing director of Bristol. "Then *we'll flood* the *market* with about 50 cars." Crook, 57, is for the first time exhibiting at the New York Auto Show, his company having spent two years developing a convertible which will meet the stringent U.S. standards. Perhaps because he does not like to think about it, Crook declines to say just how many £40,000 Bristols were propelled into concrete blocks as U.S. law requires.

His self-mocking reference to flooding the market with 50 cars is about right. In its 35 years Bristol—whose first model was similar to the pre-war BMW—has made no more than 6,000 cars. "We never make more than three a week, never ever. BL makes more cars before breakfast than we make in a year." The queue of British Bristol enthusiasts waiting up to 18 weeks is not dwindling, so what is the logic of spending upwards of £200,000 on developing a model for the U.S?

"That's always a difficult question to answer," says Crook, whose family now controls Bristol. "The market for motor cars changes and there are plenty of times when people don't want a business or what they call a 'large' car. Then, I think, one should bave as many markets open as possible." His advantage in the U.S. market—over, for instance, Ferrari—is that the Bristol has a Chrysler engine and gearbox.

Booked to appear on the American television preview of the auto show, Crook is likely to be questioned about the turbocharged Beaufighter, launched earlier this month, which is claimed to be the fastest four-seater automatic in the world. However, he is travelling to New York today on a subsonic flight. "I might come back on Concorde," he says optimistically.

... "Well, it worked once." ...

. . . and Britain

Setting himself up in transatlantic car trading in a much more modest way is Max Phillips of Bridge City, Texas. He is offering for sale in the small ads of the British motoring press an 11-year-old Cadillac Fleetwood for £1,200 —more than double the car's value in his local market, he tells me.

He thinks it should sell as a collector's item, in spite of the shipping costs, and despite its monstrous appetite—14 miles to the gallon—for petrol. He *estimates shipping* will add about £600 to the price. My man in the greasy overalls who has done this sort of thing before reckons on £450 for transport. And he is not impressed by the price. I asked *him* what a *car* of that calibre would be worth in Britain. "Nothing," be said.

Fun with paper

Merrymakers at the carnival in Nice in just over a week's time may find their jollities disrupted by the capers of irate Iranian students and—no doubt—the activities of the gentlemen from the riot police. Ructions are threatened if carnival director Jean-Paul Claustres does not give way to demands from Iranian residents who want him to pull down a papier-maché statue of the Ayatollah Khomeini.

Depicting the irascible Imam as a fire-eater, the 10ft tall effigy, hanging outside a bank in the main square, was described by protesters as "an insult to Islam." Claustres, who says he *thought they* were joking at first, changed his tune after a second visit—he was warned that if the figure did not come down the students would see to it themselves "using the appropriate means." For the moment, he insists, he will not give in.

Pressure could come from other quarters. The Iranian community on the Côte d'Azur bas grown rapidly in the past year. Many influential families have bought villas and the language schools have numerous young Iranians on their rolls. Heavyweights in local commercial or Parisian political circles may decide the joke has gone far enough.

The Niçois' talent for *grotesquerie* has got them into trouble *before. Three years ago* caricature masks of political figures were taken down because the authorities felt the artists had done less than justice to the finely-chiselled features of President Giscard.

Holding the baby

—Holding the Baby — — Stanley Wilson, who takes over as executive in charge of the Burmah Oil Group on March 1 on the retirement of Alastair Down, claims be enjoyed the "fascinating experience" of helping drag the company back from the brink of disaster, even though he bad some unpleasant tasks.

"I had those horrible jobs of reducing the number of people, negotiating sales of assets in the U.S. and Australia. Alastair was able to hand them over to me," be told me. Well, at least be might now be able to pass on such jobs to someone else, I ventured. "I'm not all that sure, since Alastair is giving up his full-time duties, I shall not bave anyone to pass the baby to."

Wilson, joined Burmah in the dark days of 1975 when its tanker interests almost caused its collapse. He has a substantial bone to pick with the Bank of England—the matter of the £178m worth of BP shares sold to the Bank early in 1975.

He expects a court hearing on the group's appeal late next year, and he is resigned to a long, dour struggle. "Whatever happens, it will be a drawn-out process. I doubt we can expect a final settlement until three or four years from now," he says resignedly.

Early birds lose

Much as the scenes in Hatton Garden recall the frenzy and bad temper of the January sales, it does not necessarily pay to be first in the queue to melt down the family plate. The contortions of the market seemed yesterday to have done nothing to cool down the silver fever—about 100 people were already queuing outside Johnson Matthey by the time the doors opened at 9.30. But prices gradually rose during the day —afternoon sellers were collecting almost 25 per cent more for their candlesticks and cuff-links.

Brummie bashers

What do my readers have against Birmingham? Since my recent note on the city's worth in terms of the gold content of its citizens, I find myself bombarded with unkind quips. The unkindest cut of all came from a Coventry reader who defines a true Brummie as "anyone born within striking distance of Longbridge."

Observer

ECONOMIC VIEWPOINT

The price of gas—and of hot air

THE FURORE over the increase in the domestic gas prices brings to mind the famous quotation from Macaulay: "We know no spectacle so ridiculous as the British public in one of its periodical fits of morality." Nothing seems so calculated to bring on such a fit as something which touches the public in its pocket. The reaction to Mr. David Howell's announcement last week suggested that one price, which ought to go up even more than that of household gas, is that of hot air.

The uproar has indicated the degree not merely of ignorance, but of virulent hostility to economic reasoning among the general public. A questionnaire study I did a few years ago showed that on "macro" questions such as unemployment, growth or inflation—the degree of consensus among economists is very limited. On the other hand there is a good deal of professional consensus on the use of the price and market mechanism in the allocation of resources.

It might help therefore, to examine the main questions.

What do you mean by "the role of the price mechanism in allocating resources"?

Most people think that all prices should be as low as possible. This is not a view that survives reflection. Where demand exceeds supply, rising prices have a role to play, both in rationing demand and providing incentives to improve supply.

The price that matters is not the price in pounds or dollars, but the price of one product relative to others—or as it is now often called the change in the real price, which is the change in the actual price minus the rate of inflation. Indeed, one of the greatest evils of inflation is that by introducing a trend rise in all prices, it both obscures the more important changes in relative prices, and increases public hostility to their taking place.

Market economics is not particularly a Conservative creed. The knee-jerk reaction of the Labour Party, in its present anti-intellectual mood, should not mislead anyone. There have always been "market socialists"; and communist economists are arguing vigorously for greater use of the price mechanism in their own countries. Mr. Anthony Crosland, who was both a Socialist and an economist, campaigned in the 1950s for higher fuel prices. Today Mr. Michael Posner, an "old Cambridge" Keynesian and a former Labour appointed top economic adviser, has had the courage to come out publicly in favour of the gas price increase.

How much will domestic gas prices actually rise?

There will be an increase of 17 per cent for the average consumer in April corresponding roughly to the rate of inflation and a further "real" increase of 10 per cent in October. This will give a compound rise of 28.7 per cent. There will be two further 10 per cent "real" increases in successive years over and above the rate of inflation.

But I have to pay the cash price, not the real price.

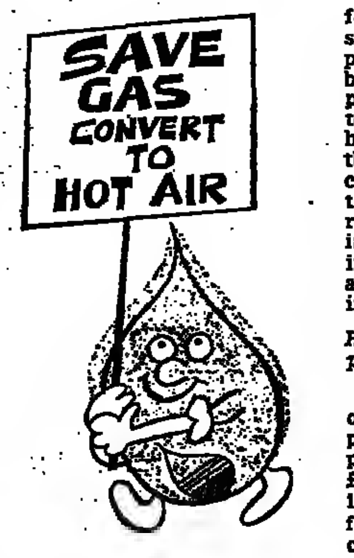
This is a silly debating objection. Most people's earnings rise roughly in line with inflation—sometimes a bit more or a bit less. The real price is a better—although of course not perfect—measure of the burden for most people. If you belong to the minority who lose from "inflation without indexation," put the blame where it belongs, and not on the gas price.

What is the fundamental justification for the gas price increase?

The early attempt to raise the domestic gas price, vetoed by Mrs. Thatcher at the time of the Budget, was mainly to raise revenue for the Treasury. Since then the Treasury case has been reinforced by a Department of Energy study of the fuel economics.

This took into account four factors. First there was the likely cost of new gas supplies. The next main new source of gas will be from a Norwegian field for which other European countries will be competing. The price is therefore likely to be oil-related, as is that of gas from the Frigg field. Second, there was the longer run marginal cost, involving estimates of alternative supply sources, such as "substitute natural gas" from coal. Third, and most important from the Department of Energy's point of view, was what industry was willing to pay for gas at present. Fourth, there was the cost of alternative fuels, primarily oil.

The third and fourth approaches, which ought to lead to approximately similar results, are to my mind fundamental. The four approaches together revealed a range of 30 to 60 per



cent for the required increase in the gas price. A Price Commission Study, made before the latest oil price increase, argued for a real gas price increase of 30 to 35 per cent.

The "correct" gas price, as Mr. John Biffen remarked, is that which would prevail if the gas industry consisted of a multitude of small firms each charging what it could get. The more elaborate calculations are basically ways of estimating that figure.

What do you mean by "related to the oil price?" What is the exact relationship?

One tonne of oil is approximately equivalent to 400 therms. What matters is not the technical relation, but customer preference. Some industrialists are prepared to pay a premium for gas over oil for added security and flexibility of supply. The Gas Corporation has been moving to an oil-related price for its industrial customers, who on average have been paying 40 per cent more than domestic consumers—a discrimination against which industrialists have been mounting a rising campaign. Consumers installing oil-fired central heating have had to pay about twice as much for their fuel as those installing gas.

How much will Gas Corporation profits increase?

The increase in profitability of the Gas Council from the 10 per cent increase in the real price is estimated at just under £200m. But the three projected increases interact, and allowing for inflation, the total effect could approach £1bn.

The surplus will be returned to the Treasury to reduce public sector borrowing. The amounts involved in the first year or two are equivalent to nearly 1p off the basic income tax rate or over ½ per cent off the VAT rate.

How much will the Retail Price Index increase?

The 10 per cent real increase in the gas price and the 5 per cent one in the electricity price will together have a "knock-on" effect on the RPI of about ½ per cent each year in which they are imposed. The eventual effects on inflation are more controversial and will also depend on monetary and fiscal policies.

If the Government is worried about the immediate impact on the RPI it has only to use the revenue from the fuel price increases to reduce VAT "at a stroke". If it prefers lower direct taxes, this has nothing to do with fuel prices.

How can a Government which believes in non-intervention impose a larger gas price increase than the Chairman of the Gas Corporation wants?

Inconsistent government statements do not invalidate correct policy actions. The principle of non-intervention, such as it is, applies to competitive units whose owners stand to lose or gain by their success in the market. These may be private enterprises or possibly workers' co-ops. The Gas Corporation does not have private owners. In a buoyant energy market Sir Denis Rooke and his colleagues can survive comfortably with a variety of different pricing, investment and other policies, and there is no automatic harmony between their choice and the public welfare. Rules are required to make such Corporations adhere as closely as possible to the ways of competitive private enterprise.

Would it not be better to impose an explicit tax on Corporation analogous to Petroleum Revenue Tax?

Yes, if only to stop the childish personification of the argument in terms of a "greedy" Government or Corporation not being content with the present massive gas profits. Presentation apart, the taxing arising from the "economic rent" (i.e. the return over and above that on normal investment arising from the special features of the energy market) would reduce temptation to wasteful prestige expenditure.

How about Mr. Enoch Powell's question: "Why conserve resources for future generations whose circumstances we do not know?"

Why indeed? It was unfortunate that Mr. Howell's statement was open to that interpretation. A free market price is required to prevent the waste of energy in this generation—in the sense that any below-market price is an encouragement to waste. The interests of the future are to some extent taken care of in the present market price; for if people foresee energy shortages, they will board or keep resources in the ground, thereby depressing future prices and raising present ones.

In his reply to Mr. Powell, the Energy Secretary used strategic arguments about self-sufficiency. These would only come into play in the case of, say, a consumer tax to raise energy prices above market-clearing levels. But all that is proposed is to bring domestic gas prices gradually part of the way towards market levels.

How many old people will die as a result of the fuel price increases?

No lives are saved by refusal to think. What will help more? Fuel rebates geared specifically to need, or a subsidy to everybody in artificially low fuel prices, including the vociferous middle class from whom the mass of the uproar really comes? How many old people have already died prematurely because of the country's impoverishment as a result of the countless victories of the anti-economic party represented by the question?

Are the increases fair to people who have installed gas appliances on the basis of low gas prices?

The unfairness was in misleading people in the first place. Even if for political reasons the gas price increase had to be postponed and phased, at least people should have been warned that prices of different fuels must eventually converge.

Why have economists been so unsuccessful in putting across these elementary aspects of prices and markets?

Because economists also work in a market place. They advance their careers by technical refinements or by supplying calculations and forecasts to customers who would rather not bother with the idea on which the numbers are based. They have also fallen for a piece of spurious philosophy about "not making value judgments." The result is that their public policy principles are implicit rather than explicit. Moreover, while people look to economists for guidance on esoteric matters like the Chancellor's "Budget judgment" many people think they already know what there is to be known about how gas prices or bus fares should be fixed. But if the return from the teaching economics to masses of undergraduates, sixth formers and others is typified by the gas price debate, then a massive cut-down of public expenditure in this area seems indicated.

Samuel Brittan

Letters to the Editor

Citizen's band radio

From Mr. P. Lawson.

Sir,—I refer to your report on Citizen's band radio, January 21, and do hope that the fears for this modern and individual form of communication are unfounded. Are we to see British bureaucracy once again unable to take a decision without the interminable discussion which always seem to occur?

I am sure that high mileage drivers, especially those on motorways will welcome up to date information on road and traffic conditions, possibly avoiding the horrendous jams we have all seen as a result of accidents, and other hazards. Might this be a way of avoiding what must be extremely expensive electrically-linked driving information signs, such as are being installed on the Bedfordshire section of the M1.

In fog, perhaps a saving of one major accident with its attendant cost of life must surely give weight and urgency to this subject.

P. B. Lawson,
28a, Nightingale Road,
Bushey, Hertfordshire.

Communication needs

From the Chairman,
Synergy Logistics

Sir,—One area for fuel saving available in the United Kingdom is the reduction in the number of empty return lorry journeys, 25 per cent of daily movements, now being made.

It appears likely that the best solution to this problem is the establishment of national or local "back load exchange" services, that will build on the impressive work achieved in-house by Dunlop and some other groups. Activity has already begun, as several operators are planning to harness the power of microprocessors to this beneficial goal.

A crucial factor in the whole equation will be local citizens' band radio facilities that could provide a cheap and flexible method of handling some aspects of such a network's communication needs.

I very much hope, therefore, that the Home Office will give due weight to this aspect of national cost and energy saving when deciding whether to press ahead with a fully funded CB network, rather than delaying through publication of a consultative document.

Peter M. Brown,
Bancroft Court,
Hitchin, Hertfordshire.

Support for coal

From Mr. R. Boam,
EAS (Coal)

Sir,—The energy tax imposed on the North Sea gas consumer could be justified—but only if applied in support of the coal industry.

If production of coal gas was resumed it would guarantee long term supplies of gas for the UK consumer as well as produce coke for export and domestic use, replacing precious oil, which could also be exported.

R. W. Boam.
99, Eaton Terrace, SW1.

Pricing energy

From the Assistant Director,
Consumers' Association.

Sir,—Congratulations on your excellent leader of January 18 on the confusion of thinking about nationalised industry targets. We published a report, commissioned from Phillips and Drew, at the end of last year which criticised accounting policies and financial targets of nationalised industries for their inconsistencies. The report advocated setting realistic financial targets for all nationalised industries, whether profitable or not, in a uniform fashion and in current cost terms, and that all nationalised industries should move to a full current cost basis as soon as possible. It also suggested that the Government should appoint a committee to issue guidelines as to how consistency within and between different industries might be reached.

Subsequent events have shown not only how necessary such a body is, but, also how difficult it will be to achieve these modest aims. Nationalised industries will now adopt a different method of current cost accountancy from the private sector, which will distort their post-interest profit figures. Worse still, consumers of gas are not only being asked to restrain consumption in the interests of their grandchildren and to pay for tomorrow's gas supplies, but to help the Government fund its borrowing.

If gas is to be taxed in the interests of energy conservation, then the revenue should be earmarked for a special fund, as the three chairmen of the nationalised energy industries' Consumers Councils have proposed. Initially this fund could finance vastly improved insulation in our housing stock, and replacement of home heating systems that are obsolete and expensive to operate, as in some local authority estates. In the longer term it could be used to revitalise coal — our only domestic source of fuel in the next century — and develop alternative and more fuel-efficient energy sources.

This ill-conceived intervention in fuel pricing is a U-turn in government policy since last year and serves only to highlight both the lack of coherent national policy on energy conservation and the continuing confusion over nationalised industry financing. Either, separated, is bad enough; compounded, they are cause for despair.

Alastair Macgeorge.
14, Buckingham Street, WC2.

Product liability

From the Secretary,
Consumers in the European Community Group (UK)

Sir,—Consumers in the European Community Group (UK) wishes to clarify some points arising from the letter (January 21) from the secretary of the product liability technical committee, European Organisation for Quality Control concerning the EEC draft directive on product liability, which indicates a certain degree of misunderstanding on the issue.

On the matter of insurance cover the EEC Commission writes in its explanatory memorandum to the draft directive that insurance cover for development risks will be available without leading to "appreciably greater cost." The question of recall raised in the letter is not a requirement of the directive. Costs of recall should not therefore be laid at its feet. Nonetheless surely no one would suggest that responsible manufacturers should knowingly leave unsafe goods on the market.

The letter also refers to internal overhead costs but does not say what these are. If it is a reference to the costs of making a product safe then it is right that such costs should be incurred. But in most cases they will be existing costs—if only because under sale of goods legislation the seller is already strictly liable in respect of unsafe goods. It would not be the product liability directive which would be responsible for overheads of this nature.

CECG accepts that there will be an increase (albeit a negligible one), in the price of goods as a result of this directive. We feel sure that consumers especially those unlucky enough to be injured by defective products will support our view that it is a price well worth paying.

Ann Davison.
29, Queen Annes Gate, SW1.

Pressure for indexation

From the Headmaster,
Lendrick Muir School

Sir,—One could not agree more with the point of the building society representative who criticised Mr. David Wilkie of Standard Life as reported in Lex on January 8.

Most of the pressure for indexation seems to me to be coming from the wrong end of the savings chain. What should happen is that the miniscule limits of the SAYE scheme be substantially raised (quintupled ?). In order not to leave the building societies out in the cold part of this increase could optionally be channelled through them.

The Government would find that the ordinary saver who has had no real return for years now would be very grateful and provide directly a much greater part of the public sector borrowing requirement; building societies would suffer neither periodic fund starvation nor the Gadarene dash to buy a house at whatever the cost. There would be no disadvantage to anyone in being out of the housing market for it could be joined with the indexed scheme at a moment to suit the individual; and the power of the institutions would be considerably lessened.

Do I hear complaints from Mr. Wilkie? Why not add insult to injury and suggest to the Government that, since few would be interested in saving through life insurance under the new conditions, it could lower its borrowing requirement by abolishing the 17½ per cent life insurance relief?

D. Thornber.
Lendrick Muir School,
Rumbling Bridge, Kinross.

The heliport parrot

From the Aviation Director,
International Aeradio

Sir,—Men and Matters (January 10) stated that administration of London (Battersea) heliport seems to consist mainly of a girl and a parrot. My company has provided the management and air traffic control, but not the parrot, at Battersea since it opened in 1959.

During this period of running Battersea for Westland, we have built up a reputation in the aviation business for managing a first-class operation with a minimum of fuss and red tape. If you have ever used Battersea heliport during Farnborough week you will know what we mean. Like our friends in Westland, we have not made any money out of the operation, but then we never expected to.

So please, the next time you cover Battersea heliport, just ask the parrot if you can go upstairs and look at the very efficient air traffic control unit and talk to some of the platform handling staff who look after London's only heliport.

R. B. Rofe.
Aeradio House, Hayes Road,
Southall, Middlesex.

Politics and sport

From Mr. A. Beard

Sir,—I was delighted to read (January 21) that Lord Killanin thinks that politics should be kept out of sport. Splendid! Would he kindly explain what non-political arguments his committee advanced to prevent Taiwan and South Africa participating in the Olympic Games.

A. L. Beard.
Woodfield,
Sparken Hill, Worksop,
Notts.

Presenting plays

From the Administrator
IOU Theatre

Sir,—In his review of *The Universe (Simplified)* (January 9) Michael Coveney says "IOU . . . could do with exposing themselves to real (sic) audiences" and that the "20 (people) to see them in Birmingham on Monday night was a large assembly by their standards." The implication of the first statement is that the audience at Aston Arts Centre is "unreal" —possibly because they did not agree with your reviewer's peevish assessment of our work.

I imagine what he means is that we should not perform in arts centres where the audience is often made up of people who are interested in the arts, but rather should play to people who have not yet had the opportunity of discovering music, dance, theatre and painting. It is the exception rather than the rule for IOU to have the opportunity of playing in a fully-equipped arts centre such as that at Aston. Many of our performances take place in non-arts specialist buildings and the summer months of the past three years we have spent touring the country presenting out-of-door performances to audiences as diverse as villagers on the green in Osmotherly and holidaymakers on the lawn of the Pier Pavilion at Felixstowe, while other work has been presented to people attending colleges, galleries and festivals. They gather in numbers far greater than the 20 who attended our opening night in Birmingham last Monday.

We shall not challenge any of your reviewer's comments on our work—that is his opinion and he has expressed his views honestly, although he has radically changed his opinion since he last reviewed our work when he found it "extremely assured" and recommended IOU to your readers as a company worth watching. It is, however, much to be deplored that he used the opportunity of a review of one of our pieces to launch an attack on three other companies, and indeed, on the completely innocent audience.

Penny McPhillips.
12, West End Road,
Golcar, Huddersfield,
West Yorkshire.

Today's Events

GENERAL

UK: Lord Gowrie, Employment Minister, speaks at Institute of Personnel Management conference on industrial relations and the law.

Teachers' pay talks resume.

Confederation of British Industries' monthly council meeting.

Independent Broadcasting Authority announces plans for fourth TV channel and programme contracts.

National Union of Teachers launches careers guide.

Mr. Timothy Raison, Home Office Minister, speaks at Greater London Area Conservative Student meeting, University College.

Dr. John Larmuth speaks on "Man and the desert: survival in the future," London Chamber of Commerce.

Col. Jonathan Alford, International Institute for Strategic Studies deputy director, speaks on "NATO's nuclear modernisation: bargaining chip or military necessity?," Royal Institute of International Affairs.

Pipeman of the Year lunch, Savoy Hotel, London.

Hotelympia chef of the year competition, Olympia.

Overseas: Two-day world policy forum on gas opens, Vienna.

PARLIAMENTARY BUSINESS

House of Commons: Debate on the role of nuclear weapons in Britain's defence policy.

House of Lords: Police Negotiating Board Bill, report stage. Representation of the People Bill, third reading. Protection of Trading Interests Bill, second reading.

OFFICIAL STATISTICS

Central Statistical Office publish institutional investment figures for third quarter.

COMPANY MEETINGS

Caravans International, Great Eastern Hotel, Liverpool Street, EC, 12. Sir Joseph Causton, 11 New Fetter Lane, EC, 11.30. Dundee and London Investments, Royal Exchange, Dundee, 12. New Eylhet, Blue House, Washington, Tyne and Wear, 2.30. Trafalgar House, The Baltic Exchange, 14-20 St. Mary Axe, EC, 11.30.

COMPANY RESULTS

Final dividends: Bullough. A. Kershaw and Sons. Y. J. Lovell Holdings. Muirhead. Rank Organisation. R. Smallshaw Knitwear. Warner Estate Holdings. Watson and Philip. Whatlings. Interim dividends: Burt Boulton Holdings. Davy Corporation. Inchcape. Macarthys Pharmaceuticals. Stroud Riley Drummond.

UK COMPANY NEWS

MOTOR DISTRIBUTORS

Henlys down £1.4m after doubled finance costs

A DECLINE of some £1m in the second half performance left taxable profits of Henlys, motor car dealer, down by £1.39m to £4.31m for the year ended September 30, 1979. The result was struck after doubled interest and stock finance charges of £1.9m. Turnover, excluding car tax and VAT, reached £304.4m compared with £191.1m.

Mr. G. R. Chandler, the chairman and managing director, says management figures for the first quarter of the current year are substantially below those of the comparable period previously.

Although support activities in motor trade regions continued to hold up well, slower new car sales, coupled with high interest rates, are indicative of the difficult trading prospects for the remainder of the year, he states.

In June, when reporting first half profits of £2.13m (£2.5m), the chairman said that although the group might not match the record of 1977-78, he was confident of an acceptable result for the year as a whole.

Trading profits for the 1978-79 year slipped by 8 per cent from £6.61m to £6.11m. Tax charge was down from £2.26m to £1.01m and there was an extraordinary surplus of £331,000 (£726,000) on disposal of properties.

Earnings per 20p share are shown down from 29.1p to 23.8p, before extraordinary items, and from 35.2p to 26.2p after the same. The net dividend total is raised to 9.1p (8.71p) with a final of 6.1p.

The next 18 months will be important to the overall view the Board takes of its future market strategy in the light of the introduction of the first of a new range of models from its major suppliers, BL.

Mr. Chandler stresses that the Board's flexible investment policy is more than adequate to meet changing circumstances. The viability of trading locations is under continuous review, with a view to strengthening the business through rationalisation and diversification.

Motor trade regions experienced varied fortunes over the year, and new retail passenger car margins were under sustained pressure. As a result, contributions from car sales departments were down compared with 1977.

The overall effect, however, was cushioned by improved business in service departments and the restoration of forecourt profits to more acceptable levels.

Ford recovered well from its strike earlier in the year which benefited the major dealership in Newcastle-upon-Tyne, Mr. Chandler reports.

Results from the newly-acquired Renault venture in Exeter were well up to expectations, as were those in new branches in Aberdeen and Preston which are franchised for Talbot products.

Record trading profits were achieved by the construction equipment (International Harvester) and Rolls-Royce diesel engines and parts divisions. Profits from leasing activities were ahead despite the reduction in capital allowances on leased vehicles announced in the June budget.

Lookers expects fall this year

A RECOVERY in the second six months following the first-half shortfall of some £50,000 meant that pre-tax profits of Lookers moved ahead from £1.72m to a record £2m for the year ended September 30, 1979. However, the motor distribution and engineering group warns that the present low demand for new vehicles coupled with other adverse factors indicates that the current year's result will be less than in 1978-79.

The directors say management accounts produced since the year-end show a reduction in profit compared with the previous year, but add that they are confident that the strength of the group's business and the diversification in its activities will prevent too serious a decline.

Turnover for the 1978-79 year advanced from £57.3m to £69.?m, while over 50 per cent of trading profits were earned in businesses other than BL Cars franchises.

First-half profits—affected by the transport strike and last winter's severe weather—had fallen from £853,420 to £803,905, but the directors anticipated a satisfactory full-year result.

Stated yearly earnings per 25p share were 27p (23.2p) before tax, or 20.8p (19.7p) after the same. A final dividend of 2.45p raises the net total by 40 per cent from 2.7459p to 3.85p per share.

Attributable profits fell from £1.46m to £1.22m, after tax of £478,040 (£260,676) and an extraordinary debit of £220,839 this time. The retained balance emerged at £1.04m, against £1.25m.

comment

A near 25 per cent shortfall at Henlys dulls an already lacklustre picture in the motor distribution sector. When Heron Motor reported last week, it became clear that since around the beginning of July a free supply of vehicles from the major manufacturers, notably BL, has sliced margins on previously highly profitable larger capacity models. New car sales for the industry as a whole had risen by 160,000 units in the first half of 1979 but the year as a whole saw growth of only 120,000 models. Interest and stock financing charges consequently doubled. Henlys admits that its stock position stands at about twice normal levels and will not be able to trim this fat until, perhaps, April.

As the largest BL distributor, Henlys has probably suffered most from declining market share. Lookers, however, shows a very similar operational profile but profits over the same period advanced by more than 16 per cent. Just over 50 per cent of trading profits stems from non-BL activities, whereas the equivalent proportion at Henlys is about 45 per cent before interest and tax.

Both groups have achieved useful growth in non-BL divisions (Henlys' service, spares, forecourt sales and other franchises expanded their aggregate contribution by roughly a third) but the first tangible sign of a downturn at Lookers probably made its mark two months later.

Relatively heavier reliance on the less volume-sensitive smaller BL marques probably provides much of the reason for this apparent discrepancy but the sales downturn has now evidently spread right across the range and, like Henlys, the group has started the current year badly.

The outlook for the sector as a whole must be bleak but, paradoxically, the motor distribution index has beaten the market by some 9 per cent since July. Bid speculation, prompted by events at Dutton-Forshaw and Wadham-Stringer, is clearly influential but Henlys has underperformed by 14 per cent. The shares climbed 3p to 95p yesterday (against assets which the quinquennial revaluation might reveal at around 250p per share) for an historic yield and p/e of 14.6 per cent and 5.9 (fully taxed) respectively. That begins to suggest that the shares have found a floor and bid hopes, admittedly nebulous, are in the price for little or nothing.

Lookers, which has already completed a depot rationalisation programme, added 1p to 49p for an historic yield of 11.8 per cent and a fully taxed p/e of just 3.6. Again, that seems defensible as most of the immediate problems appear to have been discounted.

Status Discount borrowings jump £5.2m

Group borrowings of Status Discount rose sharply from £0.69m to £5.89m in the year ended November 30, 1979. These figures, disclosed in the latest report and accounts, comprised acceptance credits of £3m (nil), bank overdraft of £2.25m (£0.68m) and bank loans of £0.64m (nil).

Mr. F. D. Healey, the chairman of the retail discount store operator, has increased his beneficial holdings in the company's shares to 952,415 (190,483) at the year-end, while his other holdings rose from 700,000 to 3.2m. The two other directors, Mr. A. J. Cooper and Mr. J. F. Brignall, increased their beneficial holdings from 415 to 2,075 and from 3,900 to 19,500 respectively.

The chairman's remuneration was doubled from £20,000 to £40,881.

As reported January 16, a downturn in second half profitability due to higher VAT and the ITV strike, left the company with pre-tax profits of £4.06m (£3.79m) for the year to end-November. Turnover rose some £10m to £40.8m.

Meeting, Sheffield, February 15, 2 pm.

HIGHLIGHTS

It was a highly volatile day in the gilt-edged market yesterday and although the tap stocks were not fully subscribed the long tap seems likely to run out this morning. Lex looks at the background and also looks at the achievement of Union Discount in producing higher profits for 1979 despite jumping interest rates. Elsewhere Lex considers the state of play in various bid stories, with big market activity in shares of Armitage Shanks and a further letter of rejection from Highland, but still no sign of the Racal terms for Decca. On the inside pages news from Denbyware comes in for comment and the results of two motor distributors, Henlys and Lookers, where this year's trading prospects are very bleak but there is still an element of bid speculation.

Union Discount exceeds £2m

AFTER PROVIDING for rebate, tax, and making a transfer to inner reserve, profits of the Union Discount Company of London increased from £1.8m to £2.08m in 1979.

The directors are recommending a final dividend of 13.625p per £1 stock unit to lift the year's total from 17.657p to 20p. Dividends absorb £2m, against £1.77m.

The carry forward at the year-end amounted to £1.41m, against £1.32m. Total current assets at December 31 were some £1.23bn, compared with £1.33bn a year earlier, stated at the lower of cost or market value.

The company has started the new year with cautious optimism says Mr. R. Petherbridge, senior managing director.

See Lex

Record year for Baker's Stores

IN LINE with the midway forecast, record profits were achieved by Baker's Household Stores (Leeds) in the year to September 29, 1979, and the directors are proposing a one-for-three scrip issue.

The surplus expanded some 46 per cent from £424,225 to £620,997 before tax of £55,006 (£19,095). Turnover improved by £600,000 to £3.85m.

A final of 0.85p lifts the dividend for the year from 1p to 1.5p, and stated earnings per 10p share are up from 13.5p to 18.87p.

Regional Properties up 30%

TAXABLE profits of Regional Properties advanced almost 30 per cent from £536,000 to £694,000 in the half year to September 30, 1979 after a £38,000 reduction in interest charges to £450,000.

The interim dividend is stepped up from 0.5p to 0.65p and the board anticipates a final in excess of last year's 1p, which was paid on total pre-tax profits of £1.24m (£1.06m).

Tax for the six months takes £360,000 (£304,000). After net outgoings on development properties of £209,000 (£206,000), extraordinary credits of £595,000 (£696,000) and tax credits of £109,000 (£107,000), there is a credit balance for the half year of £829,000 (£831,000). A transfer to capital reserves of £495,000 is made compared to £599,000 last time.

The dividend absorbs £121,000 (£93,000), leaving the retained surplus higher by £213,000 (£139,000).

J. Austin midway profit reduced to £0.34m

BOTH THE steel and engineering divisions of James Austin Steel Holdings suffered from the engineering strike during the six months ended September 30, 1979, and group pre-tax profits show a downturn from £545,002 to £340,560, on turnover of £7.1m against £6.97m.

Despite the reduced profits, the directors have declared an effectively maintained interim dividend of 1.67p. Last year's total was equal to 4.67p when pre-tax profits were £1.13m.

The steel division had a slightly lower turnover in the first half, but a greatly reduced profit—margins as expected having proved impossible to maintain in home sales. The engineering side, in spite of higher turnover, only broke even for the period.

Prior to the steel strike, indications for the second half in the steel division were encouraging, but the outcome for the year is now impossible to forecast, the directors say.

However, there is a good order book in engineering and given reasonable trading conditions to the year-end, a small profit should be achieved in this division.

First-half tax charge is £178,000 (£284,000) leaving net profit at £162,560 against £261,002. The group's financial position remains sound and due to increase in interest rates the amount received on short-term lending has shown a significant increase, the board adds.

On April 1, 1980, the two present divisions of James Austin and Sons (Dewsbury), will be split into separate subsidiary companies of James Austin Steel Holdings. The present engineering division will operate as Austins Structural Engineers, and the steel division will continue to trade under the name of James Austin and Sons (Dewsbury).

Ashdown Trust well ahead

REVENUE before tax of the Ashdown Investment Trust improved from £721,966 to £1.14m in the year ended November 30, 1979. Gross revenue amounted to £1.31m compared with £994,806.

A final dividend of 4p per share lifts the year's total from 4.6p to 5.6p. The directors have also declared a special payment of 1p net.

The special dividend is in respect of exceptional income amounting to 1.07p per share received from the trust's holding in Shell Transport and Unilever. The Board considers that the benefits of this exceptional income should be passed on to shareholders.

Tax takes £398,827 against £250,748 giving earnings per share — including the non-recurring income—of 6.95p (4.78p).

Net asset value per share after allowing for the final dividend, amounted to 179.1p. Net asset value last year of 190.4p included the full investment currency premium.

Denbyware profit tumbles to £51,000 at midterm

TAXABLE PROFITS of Denbyware, pottery manufacturer, tumbled from £319,000 to £51,000 in the six months to September 29, 1979, with the operations in Canada and North America both incurring losses.

Mr. G. H. J. Robinson, chairman, says he has no doubt that, in common with previous year, the second half will be much better than the first six months. However, he thinks it would be unwise in the present uncertain economic circumstances to make more specific predictions.

The net interim dividend is held at 2.1125p—last year's total was 6.170548p, paid from pre-tax profits of £912,000.

Of the half-year results the chairman says the strengthening of the pound against the dollar had a significant effect on North American operations.

This, together with very high interest rates, contributed to both Canada and the U.S. making a loss, since it is impossible fully to reflect these extra costs in increased consumer prices, given the present state of the North American economy, he adds.

However, the directors believe these two markets are vital to the group's business and investment in them must continue in the confidence that, in due course, they will return to profitability.

The chairman says the U.S. and Canadian operations have been combined under the Canadian management in the hope that the improvements in that country can be reflected in the U.S. in the year ahead.

UK sales have increased and the group is holding its position in the market place. The chairman points out that, while group sales slipped to £4.83m (£5.26m), last year's figures included furniture sales which were virtually non-existent this time.

Elimination of furniture sales shows a 6 per cent increase in tableware sales, mainly due to UK operations.

Development costs of recently-introduced new products proved to be considerably more than previously experienced or expected, the chairman says. But he does not believe these costs will have the same effect in the second half.

Group results were helped by the associate, International Ceramics, he says. This is being kept busy by the resurgence of activity in the aero-engine industry.

Group pre-tax profits for the period were struck after exchange losses of £13,000 (£34,000). Tax took £92,000 (£227,000), leaving a net loss of £41,000 compared with a profit of £92,000.

comment

For a company which was "well prepared to take advantage of whatever opportunities occur," according to its chairman's statement last July, Denbyware has turned in a depressing performance. Three factors have done the damage. Interest rates climbed on borrowings which stand around £2.5m—slightly over half of shareholders' funds. North American operations made a loss, with stronger sterling hitting margins on the tableware imports from the UK. And gremlins crept into the production of new patterns, though these have now been overcome. The company declines to quantify the degree to which these areas depressed profits. Denbyware must be familiar by now with the landmarks on the road to recovery. If it achieves its expectation of repeating last year's second-half profits, the outcome for the full year will be around £570,000 at the pre-tax profit. On this hope is presumably based the optimistic gesture of a maintained dividend. The prospective fully taxed p/e, therefore, stands around 16 at 105p, with a yield, assuming a maintained final, of 9.5 per cent. If, on the other hand, the second half fails to turn things round, the company may be forced to reconsider its present determination to maintain its own distribution companies in North America.

H. J. Baldwin dips but in much healthier state

The anticipated reduction in activity took place at H. J. Baldwin and Company, clay and concrete manufacturer, and pre-tax profits for the six months to October 31, 1979 fell slightly from £185,237 to £179,190. Turnover was also lower at £1.25m against £1.32m. In the last full year, pre-tax profits were £371,000 from turnover of £2.43m.

The board states that arrears of preference dividends have been reduced, as known, to three-and-a-half years at October 31, 1979. The company expects to continue normal preference dividend payments and to clear off the balance of outstanding arrears, thus enabling the board to give consideration to payment of ordinary dividends—providing that future results indicate that this is appropriate.

Commenting on the first half results, Mr. D. A. Landau, the chairman, says that in spite of the reduction in activity, the level of trading exceeded expectations and from a profit point of view, results continue to be encouraging.

Looking ahead, the chairman states that reduction in Government spending could materially affect progress made by the company in recent years. He says the second half has started well, but poor weather conditions are in prospect. The board is confident, however, in the knowledge that present resources are in a much healthier state than at any time during the past 20 years.

Stated earnings per 10p share are given as 2.35p against 2.43p.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Amal. Distil. Prods. int.	0.5	March 7	0.25	—	0.75
Ashdown Invest.	4§	March 28	3.3	5.6	4.6
Baker's Stores	0.85	—	0.7	1.5	1
Denbyware int.	2.11	March 28	2.11	—	6.17
Fairdale Textiles int.	0.3	Feb. 27	0.3	—	1.5
Gopeng Cons. 3rd int.	8	April 3	5.5	25	18
Henlys	6.1	April 8	5.71	9.1	8.71
Idris Hyd. Tin 2nd int.	5	March 24	3	—	8
James Austin Steel int.	1.67	April 9	1.67	—	4.67*
Lookers	2.45	April 30	1.75	3.85	2.74
New Witwatersrand int.	14¶	March 14	8	—	24
Regional Props. int.	0.65	April 3	0.5	—‡	1.5
Scottish American Inv.	2.5	March 27	2.05	3.5	2.95
Union Discount	13.63	—	11.28	20	17.66†
Vogelstruisbult Metal	11¶	March 14	8	16	12

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Increased final forecast. § Plus 1p special dividend. ¶ South African cents throughout.

SPAIN

Jan. 23	Price %	+ or −
Banco Bilbao	209	
Banco Central	226	
Banco Exterior	211	
Banco Hispano	210	−2
Banco Ind. Cat.	135	
Banco Madrid	175	
Banco Santander	246	
Banco Urquijo	165	
Banco Vizcaya	215	
Banco Zaragozo	205	
Dragados	103	−1.5
Espanola Zinc	59	+1
Fecsa	58	−1
Gal. Preciados	55	
Hidrola	63	−0.2
Iberduero	60.5	−0.5
Petroleos	116	−3
Petroliber	73	
Sogefisa	115	
Telefonica	56.2	
Union Elect.	67.5	

BIDS AND DEALS

Lebanese group steps up Armitage stake to 23.5%

BY ANDREW FISHER

LEBANESE BUSINESS interests lifted their stake in Armitage Shanks yesterday to 23.5 per cent, and a London representative again described the £28m bid just launched by Blue Circle Industries for the sanitary ware maker as too low.

Among the options being considered by the Lebanese, whose stake is held through Ceramics Investmenta BV in Holland, is a possible bid, according to Mr. Keith Hamer, a director of MEA Investment Company in London, which acts for them.

Blue Circle, meanwhile, was also active in the market yesterday, moving in early to buy 4.72m Armitage shares. This gives it just below 15 per cent of the company; additional purchases would force it to make a full cash offer under the terms of the Takeover Code.

With Blue Circle's share price regaining 4p yesterday to 270p, its bid for Armitage of two of its own shares in exchange for six is now worth 90p a share. The alternative of one Blue Circle share plus 258p cash for six of Armitage is valued at 88p.

"We feel the bid very much undervalues Armitage," said Mr. Hamer. "We are examining the options that we have to do something more with the company." This could include the possibility of a bid, he added.

For political reasons, the Lebanese have been reluctant to reveal their identity. Mr. Hamer said it was a privately-owned group, formed 50 years ago, with extensive industrial, shipping and financial interests in the Middle East.

Among its activities are the largest tile and sanitary ware manufacturing operation in the Middle East. The Armitage stake marks one of its first direct investments outside the area, he said.

The managing director of Blue Circle, Mr. John Milne, said he did not see the rise in the Ceramics stake as necessarily signalling a fight for control of Armitage, shares of which shot up to 95p yesterday, having been suspended at 55½p on Monday.

Blue Circle, a major cement group with nearly half its profits stemming from overseas, paid 88½p for its Armitage shares yesterday. Ceramics, which moved in later on, bought 175,000 at 89p, 50,000 at 87p, and 500,000 at 90½p. It now owns 7.38m.

Highland renews attack on Hiram bid

Highland Distilleries is continuing its attempts to resist an £80m offer from Hiram Walker-Gooderham and Worts, the Canadian distilling concern.

Highland issued its second rejection document to its shareholders last night. In anticipation of the defence Highland's shares rose 7p to 145p.

In a letter to Highland shareholders last week, Hiram said that Highland's earlier rejection document "does not provide sufficient evidence, facts and opinions (in particular about assets and prospective profits and dividends) for you to form a judgment as to the merits of the offer."

Highland has countered: "Despite what Hiram says in its latest letter, your directors and their advisers, Baring Brothers and Co. Ltd., consider that Highland shareholders are in a position to form a judgment on the merits of the offer."

Highland sells new and mature whisky to Robertson and Baxter, in which it has a 35.4 per cent stake, for inclusion in Cutty Sark and other blends. It also produces jointly with Robertson and Baxter The Famous Grouse blended Scotch whisky.

Highland says in its latest letter that in dealing with agreements between Highland and Robertson and Baxter, the directors' intention was to give "to shareholders as much information as possible without disclosing to competitors information that could be damaging to Highland's trading activities. The price of whiskies supplied by Highland to the joint venture for The Famous Grouse is a case in point."

Highland adds that it shows in its published accounts the profits of Robertson and Baxter attributable to Highland. "Your directors and Barings obviously could not advise Highland shareholders to ignore to 35.4 per cent share of Robertson and Baxter profits."

Thorn chief says EMI music divisions not for sale

BY JOHN LLOYD

Sir Richard Cave, the chairman of Thorn, has strongly denied reports in a U.S. newspaper that he was looking for a buyer for the music and entertainment divisions of EMI, which recently merged with Thorn.

The report said that the film company Twentieth Century Fox would bid for the EMI divisions. A spokesman for Twentieth Century said in Los Angeles last night that he could neither confirm nor deny the report.

Sir Richard, who is visiting the EMI record subsidiaries in the U.S. with Thorn's finance director, Mr. Harold Mourgue, said in Hollywood that they had been "enormously impressed" with the capabilities of the companies.

"EMI's recent merger with Thorn brings new strengths and greater financial resources to support EMI Music through the rather difficult period presently facing the entire record industry. Nevertheless, we consider that EMI Music will make a success of the future on its own and has no need for any new partners."

Sir Richard said that he wanted the companies to be fully equipped to serve the growing "videogram" — television and audio—market of the 1980s.

"We fully recognise that EMI's worldwide music business requires central direction from the U.S. under Bhaskar Menon's (head of EMI Music) leadership, and that internationalism is the key to future success. It is, therefore, specially encouraging to have seen at first hand the strengths of our North American music operations."

MOUNT CHARLOTTE ACQUISITION

Mount Charlotte Investments has agreed to purchase 95 per cent of the Windermere Hydropathic Company for about £520,000 payable as to 50 per cent on exchange of contracts and the balance less £100,000 on completion which is arranged provisionally for February 18.

The £100,000 deducted is payable one year after completion. Windermere Hydropathic operates as a hotelier in the Lake District.

Based on unaudited management accounts for the 11 months to December 31, 1979, the book value of the assets acquired amounts to some £55,000 and the pre-tax earnings for the period amounts to about £60,000 after adding back banking commissions paid of £62,000 which will in future accrue for the benefit of the group.

McARTHUR

Chas. Gray and Co. (Stamford) and Chas. Gray Scotland have been acquired by McArthur and Co. (Steel and Metal), a Bristol-based wire and steel merchant.

Gray Grain, a member of the Gray group of companies, has not been sold and will remain under the ownership of the Gray family.

Yule Catto lifts stake in oil explorer

Yule Catto has acquired a further 235,000 ordinary shares in Gas and Oil Acreage at an average price of 300p.

This increases their holding to 16.6 per cent of GOAL. The aggregate consideration, including expenses amounts to £734,000 and will be provided from Yule Catto's existing resources.

GOAL has a 2½ per cent direct working interest in the British sector of the North Sea and a 2½ per cent net production interest in that part of the Buchan oil field in Block 21/1. It has also a 5 per cent direct working interest in that block outside the field area together with a number of other exploration interests in the British and Dutch sectors.

The Buchan field is scheduled to commence production this year.

Dunham Mount associate reveals deals in Norwest Holst shares

STOCKBROKERS Ashworth and Sons and Barratt revealed yesterday that they had carried out share deals for an associate of Dunham Mount, a private company, which is considering making a bid for Norwest Holst, the civil engineering group. The deals, in Norwest Holst shares, had gone through without formal notification although the bid intentions had been announced.

The brokers said yesterday that they carried out share transactions between November 22, 1979, and January 11, 1980, on behalf of an associate of Dunham Mount, a private company owned by Mr. R. Slater and Mr. A. J. Lilley, the two Norwest directors, which may make a bid for Norwest.

The Ashworth client was a partner of Kay Johnson Gee and Co., auditors to Dunham Mount. The transactions involved 110,000 shares at prices between 111p and 120p.

Illingworth and Henriques, brokers to Dunham Mount, said yesterday, "we are absolutely livid."

Mr. R. Slater and Mr. A. J. Lilley announced their intention to enter into discussions which may lead to their making an offer for the ordinary capital of the company not already owned by Dunham in mid-November.

Ashworth has now informed the takeover panel of the deals.

MORGAN EDWARDS/ LOUIS G. EDWARDS

The Board of Morgan Edwards state that although merger discussions with Louis G. Edwards are continuing satisfactorily, because of the complexity of the negotiations it will not prove possible to finalise proposals until February.

In these circumstances, the Board proposes to request a re-listing of Morgan Edwards' ordinary share capital with effect from January 29, 1980.

TRUST SELLS 0.4M SHARES IN EMPIRE

Empire Plantations and Investments, the Indian tea producer which is currently the subject of a bid from Caparo Investments, the Indian owned group, announced yesterday that Scottish Northern Investment Trust had sold its holding of 400,000 Empire ordinary shares.

This stake—which represents 6.8 per cent of the Empire equity—formed part of the 18.82 per cent of Empire, picked up in the market by Caparo on December 20 at 24p per share.

That total purchase, together with shares already owned by Caparo and its associates, took Caparo's stake in Empire up to 43.5 per cent of the voting capital and under the Takeover Panel rules was obliged to make a similar cash offer to remaining shareholders.

Since then Caparo has increased its holding to 45.5 per cent but no formal offer has yet been sent to holders.

VICKERS BUYS INPAC AUTOMATION

Vickers has acquired Inpac Automation (Holdings) of Southall, Middlesex, one of Europe's leading packaging machinery manufacturers.

The acquisition will significantly strengthen Vickers' existing capability in packaging, bottling and material handling.

Net assets of Inpac amount to £783,964. The company will retain its separate identity and manufacturing base in Southall but will operate closely with the packaging and bottling interests within the Vickers engineering group. Additional service facilities for Inpac in the north of England are expected to be established shortly.

CAMELLIA RAISES UNOCHROME STAKE

Camellia Investments, an investment holding company, has increased its stake in Unochrome International, the metal treatment processor and consumer goods manufacturer, to 29.95 per cent, just below the level at which a bid is required to be made under the rules of the Take Over Code.

The company said yesterday that there was "no question of a bid" being made for Unochrome. The increase in the stake—from 4.55m shares to 5.01m—was made with the full knowledge of the Unochrome board.

Camellia said this investment was in line with the policy of building up strategic interests in selected companies.

Amal. Distilled Products recovers and pays double

RECOVERING from a second half loss of £29,000 last year, pre-tax profits of Amalgamated Distilled Products rose sharply to £108,539 in the first six months to September 30, 1979 compared to £10,351.

Announcing a doubled interim dividend of 0.5p, Mr. Ellis Goodman, the chairman, says the results reflect an improved performance from Scotch whisky operations, which more than offset the difficulties experienced by Export Bottlers.

A final dividend of 0.5p was paid last year.

A strengthened sales and marketing team should further enhance whisky sales, Mr. Goodman continues, but higher interest rates will affect second half margins and also present difficulties on the financing of whisky stocks.

Despite operating at full capacity, Export Bottlers incurred further substantial losses, Mr. Goodman states. Recent price increases will reduce operating losses, but long-term solutions are still to be found, he adds.

At the trading level, profits rose from £208,717 to £364,886, despite a substantial reduction in turnover to £4.65m (£6.84m). Interest charges were higher at £212,695 (£162,216) and there is no investment income this time (£3,427).

After payments to convertible loan stock holders of £43,654 (£38,577) and the £37,700 absorbed by the dividend (£18,345), there is a retained surplus of £70,829, compared to a loss of £5,994. Because of unutilised losses and allowances, there is again no tax charge.

Scottish American pays more

WITH gross income advancing from £4.45m to £4.62m, in the year to December 31, 1979, Scottish American Investment Company is increasing its final dividend from 2.05p to 2.5p, making a total for the year of 3.5p against 2.95p. Cash available for ordinary dividends has increased from £1.7m to £1.95m. Stated asset value per 50p share is 115.9p against 107.8p.

WINDING-UP

Compulsory winding-up orders against Signmoss and Europarelay have been made by Mr. Justice Dillon in the High Court.

GO-AHEAD FOR SEVEN MERGERS

The following proposed mergers are not to be referred to the Monopolies Commission: Booker McConnell/Kearley and Tonge, Booker McConnell/International Basic Economy Corporation; Guardian Royal Exchange Assurance/Midwestern Fidelity Corporation; Kleinwort Benson/Martens and Weyhausen; Costain Group/Pearson Bridge Holdings; Steetley Company/Ohio Lime; Trusthouse Forte/Dobbs Houses Inc.

GRIMSHAWE AND CINDY

At an extraordinary general meeting of Grimshawe Holdings, the acquisition of Cindy for 777,538 shares was approved.

Grimshawe chairman Mr. Thomas Kenny and Mr. Ronald Hooker, deputy chairman and chief executive, have joined the Board of Cindy.

REPORTS AND ACCOUNTS IN BRIEF

ELDRIDGE POPE AND COMPANY (brewer).—Results for year to September 30, 1979, reported December 19, 1979 in full preliminary report. Net assets £10.3m (£8.7m); net current assets £1.92m (£1.51m). Adjusted profit before tax and extraordinary items (inflation accounting) £1.03m (£1.04m). Chairman states that interest rates, bad weather and spending pattern changes to the company's detriment have held back volume growth. He warns that shareholders cannot expect to see the targeted growth of profits until economic winds become fairer. Company's public house improvement programme continues at a high level. Meeting, Dorchester, February 8, 12.15 pm.

PROVINCIAL CITIES TRUST—Interim dividend 0.77p (0.64p). Gross income for six months to November 30, 1979, £[illegible],429 (£89,777). Net profit £53,726 (£47,597) after tax £23,494 (£25,562). Income for full year expected to exceed that of 1978-79.

NESCO INVESTMENTS—Group profit for half-year to August 31, 1979, £490,062 (£[illegible]91,736). Tax takes out £222,000 (£[illegible]104,000) and minorities £99,768 (£80,422).

CLIFTON INVESTMENTS—Turnover year to March 31, 1979 £147,858 (£54,216). Net profit £64,046 (loss £27,275) after tax £586 (£5,275). Earnings 0.86p (loss 0.55p) per share.

GREENFRIAR INVESTMENT COMPANY—Dividend 2p per share for the 12 months ended December 31, 1979 (1.65p). Gross income £323,721 (£295,701). Interest charges £142,854 (£155,191). Management expenses £80,574 (£26,223). Tax £46,749 (£29,655). Dividend £80,000 (£66,000). Earnings per share 2.34p (1.87p). Value of investments £5.72m (£5.27m). Net current assets £118,422 (£68,440). Net asset per share 129.6p (130.8p).

LOWLAND INVESTMENT—Group income for three months ended December 31, 1979, was £154,359 (£118,022). Earnings 1.19p (0.72p) per share. Net asset value 75.2p (70.2p).

WOLVERHAMPTON STEAM LAUNDRY—Turnover (excluding VAT) half year to September 30, 1979, £398,470 (£341,600). Trading loss £909 (profit £13,200). Depreciation £5,600 (same). Tax nil (£3,200). Loss £5,400 (profit £4,400). Turnover and profit in second half should show an improvement and board hope to declare overall profit for full year's trading.

PALMERSTON INVESTMENT TRUST—For half year to September 30, 1979, income and surplus on sales of properties £92,273 (£98,665). Expenses and interest £90,188 (£77,154). Interim dividend 0.534p (same).

NORTH MIDLAND CONSTRUCTION COMPANY (civil engineer)—Results for year ended August 31, 1979, already known. Group fixed assets £942,308 (£700,690). Net current assets £436,199 (£321,390). Chairman hopes to report continued growth during first half of current year. Meeting, Nottingham, February 7, noon.

LEDA INVESTMENT TRUST—Gross revenue for 1979 £338,457 (£291,929) after tax £87,834 (£79,579), earnings per 20p income share 3.01p (2.15p). Net assets per 5p capital share 53.4p (53.2p). Second interim dividend 2.45p, making 3.70p (3.145p).

STENHOUSE HOLDINGS (insurance and reinsurance broking and Lloyd's underwriting)—Results for year to September 30, 1979, already reported, with prospects for current year. Fixed assets of insurance broking £13.03m (£15.9m). Net current assets £4.4m (£2.41m) and £1.22m (£4.75m) excluding insurance broking. Chairman is to retire after AGM and is succeeded by Mr. H. Haughton. Scottish Western Trust Holdings holds 24.04 per cent of capital and Continental Corporation, 22 per cent. Meeting, Glasgow, February 14 at noon.

K SHOES—Results for year to September 30, 1979, reported December 12. Fixed assets £13.02m (£9.74m), net current assets £17.6m (£10.35m). Working capital increased by £4.11m (£1.03m decrease). Chairman says orders from retail customers for spring have come in well. However, concern over economy must make directors cautious about prospects for rest of year. Meeting, Netherfield, Kendal, on February 14 at noon.

FUNINVEST—Assets attributable to capital shares at December 31, 1979, £5.62m (£6.6m at September 28, 1979); net asset value per capital share 88½p (107p).

DUALVEST—Assets attributable to capital shares at December 31, 1979, £7.07m (£8.72m at September 28, 1979); net asset value per capital share 383½p (465½p).

WMC-BP: new find at Roxby Downs

BY PAUL CHEESERIGHT

AUSTRALIA'S Western Mining Corporation has discovered further significant mineralisation at the buge Olympic Dam copper-uranium prospect naar Roxby Downs in South Australia and bas also established, from early drilling at Stuart Shelf, that there may be a further deposit 25 kilometres away.

The group is the operator for a joint ventnre involving British Petroleum, which holds 49 per cent. WMC and BP are also engaged at Benambra in Victoria, where additional enconraging base metal values bave been found.

WMC's gold prospects have also heen enhanced by development work at the Hunt mine in Western Australia: the latest intersections at the Stawell prospect in Victoria, a joint venture with the 50.5 par cent owned Central Norseman Gold; and by Central Norseman's latest drilling at its own mine at Norseman in Western Australia.

The latest results from all these ventures were disclosed yesterday in WMC's quarterly report.

The first diamond drill hole at Stnart Shelf, the Acropolis prospect, intarsected copper at 0.7 per cent and uranium at 0.07 per cent per tonne between 924 and 990 metres. Although the geology is complex, WMC said that the mineralisation is similar to that at Olympic Dam.

Although more drilling is necessary, this find nonetheless represents an important extension to Olympic Dam, which itself reveals further richea.

The latest drilling, holes RD24 and RD29, gave mineral grades consistent with previous reports but, more eignificantly, showed that mineralisation is present at depths of around 1,000 metres, the limits of the drilla and deeper than had been indicated before.

At Benambra, five more diamond drill holes have disclosed grades ranging between 1.5 and 4.5 per cent copper, 0.2 and 0.6 per cent lead, 0.9 and 13.7 per cent zinc and between 17.3 and 64.7 grams a tonne silver. Such values add substance to the view that Benambra is a potential mine.

As far as gold is concerned, work at the Hunt mine, said WMC, "has indicated a mineable ore position." At Stawell, gold value of 5.7 grams and 12.9 grams a ton were intersected in two further boles. At Norseman, values of 5.7 grame and 12.9 grams a ton were intersected in two further boles. At Noresman,

WMC shares in London yesterday were 10p lower at 212p.

Ranger: new public company

EZ INDUSTRIES bas finally capitulated in its stand over the Federal Government's right to sell ownership of 50 per cent of the Ranger uranium project in the Northern Territory, writes John Rogers in Sydney.

It will join its Ranger partner, Peko-Wallsend, in sponsoring a publicly-listed company, Energy Resources of Australia, which will be used as the vehicle to take over the federal Government's interest in the project, it announced yesterday.

The Labor Government of the early 1970's took up the stake in Ranger and agreed to fund 72.5 per cent of the start-up costs and to assure supply of uranium to meet contractural obligations.

Late last year, Peko won a hotly-contested international tender for the now Liberal Government'a 50 per cent stake with a A$125m (£60.9m) bid and so brought ownership of the deposit back to the two original holders, with Peko holding 75 per cent and EZ 25 per cent.

EZ has continually disagreed with the Government view that the Ranger holding be sold at a profit and maintained that it should be given back to the original partners.

Yesterday the group said: "EZ has decided to join with Peko in the formation of ERA, which will acquire the whole of the interest of the Government, Peko and EZ, and involve participation by the Australian public and overseaa consumers of uraninm, subject to final negotiations with the parties."

Neither Peko nor EZ would be drawn on the likely make-up of the shareholdings in ERA whieb promises to be the biggest company ever floated on Australian etock exchanges. Under agreement with the Government, foreign interests are allowed to take up to 25 per cent of the new company.

RAND LONDON TO RAISE £5.3M

Rand London Corporation, the junior South African mining finance bouse, is to raise R10m (£.35m) for expansion through a rights issue, which will offer ehareholders direct participation in its coal mining unit, Rand London Coal.

The issue, foresbadowed a fortnight ago, offers shareholders the right to aubscribe for 23 units in Rand London Coal for every 100 shares they bold in Rand London Corporation. Each unit comprises two cumulative participating preference shares and one ordinary share in Rand London Coal.

The price of eacb unit is 350 cents (187.3p), made up of 100 eents for each preference share of 10 cents and 150 cents for each ordinary share of 50 cents.

Rand London Coal is forecasting a dividend of 4 cents an ordinary share for the year to June 1980, and a dividend of 14 cents for the year to June 1981. The preference ahares receive a fixed annual dividend of 8.5 cnts, plus 20 per cent nf any dividends declared for tha ordinary shares.

Rand London Corportaion is divesting itself of 22 per cent of its coal mining interests. This will affect earnings in the sbort term and it is expected that the company will earn 41 cents a share in the year to next June, or 4 cents a ehare less than would have been the case without the rights issne. Rand London Corporation shares were 110p yeeterday.

ROUND-UP

Oakbridge and its subsidiary, Great Northern Mining, are forming a joint venture company to meet Great Northern's share of increased exploration expenditure at the Basl Gammon base metals prospeet in northern Queensland. Their partners are Newmont and ICI Australia. Indieated mineralisation so far is 4.5m tonnes of ore grading per tonne 1.3 per eent copper, 43 grams silver and 0.3 per cent tin, plus 7m tonnea grading 0.25 per cent tin.

* * *

Two Gold Fields group South African companies have boosted dividends. New Witwatersrand Gold Exploration is lifting its interim to 14 cents (7.5p) from 8 eents at this time last year as net profita for tbe December half rose to R2.4m from R1.7m a year before. Vogelstruisbult Metal is paying a 1979 final of 11 eents (5.9p), bringing the year's total to 16 cents against 12 eents in 1978, on annual earnlnes of R3.7m against R2.47m in 1978.

Texasgulf advances

TEXASGULF, the U.S. group with substantial Canadian base metal mining interests, is expecting higher profits this year after fulfilling promises of a sharp increase in 1979 earnings, writes John Seganich from Toronto.

Commenting on the strong demand for Texasgulf products in 1979, Dr. Charles Fogarty, the chairman, said, "Barring unforeseen conditions we expect 1980 will be even better."

The group ended last year with net profits of $136.9m (£60.16m), or $3.71 (163p) a share, compared with $50.1m, or $1.33 a ahare, in 1978. Fourth quarter earnings were $44.2m against $15m in the final quarter of 1978.

Sales last year rose tn $787.3m from $602.3m, reflecting the higher prices for all prodncts.

The improvement in depressed prices of recent years was needed to offset inflation and higher energy costs, Dr. Fogarty noted. "Even higher prices will be required to finance added capacity for many products which the natural resources industry must provide to meet rising demand," he warned.

Texasgulf is building up its own capacity. A new 65,000 tons a year copper emelter and refinery at the Kidd Creek complex near Timmins in Ontario is 65 per cent complete and should come on atream next year. The Kidd Creek No. 2 mine will also be completed next year.

Meanwhile, the groop is selling all it can produce and Dr. Fogarty said that productivity was being increased. "In some cases production is above rated capacity," ha said.

Brinco delays on Labrador uranium

A DEVELOPMENT decision for the Kitts and Michelin uranium deposits in Labrador was pushed back yesterday when Brinco disclosed that Commonwealth Edison was seeking to revise last year's agreement on the financing of a mine and a long-term supply contract.

"The object of current dicussions is to identify a mntually acceptable arrangement having regard to depressed market conditions," Brinco said.

Brinco, a Rio Tinto-Zinc group Canadian unit searching for a bigger role in Canadian energy development, holds 60 per cent of the deposits and last August brought Commonwealth Edison in as a 40 per cent holder. Commonwealth Edison, a U.S. power utility based in Chicago, agreed to finance the mine and buy up to 18m lbs of uranium oxide.

The project has become a victim of the uncertainty in the nuclear power indnstry—an uncertainty which bas become marked eince the Three Mile Island power station incident last April. U.S. utilities are generally thought to be amply supplied with uranium.

But Brinco said that this year it will continue work on gaining the necessary official approvals for the project, which will be made ready for a construction decision when that is warranted.

● The value of Canadian uranium shipments reached a record C$664m (£251.9m) last year, compared with C$617.5m in 1978. Higher average prices offset a decline in the volume of shipments to 15.3m lbs from 18.1m lbs. The Ontario mines shipped 9.7m lbs and the Saskatchewan mines 5.6m lbs.

* * *

The Mining Secretariat in Argentina has approved four of the first projects eince a new mining promotion law was passed last year and the national miding fund is potting forward $770,000 in credits. The mines in Chubut, Salta, Mendoza and San Juan provinces will exploit fluorite, gold base metals, asphalt and benzonite.

EUROPEAN OPTIONS EXCHANGE

Series	April Vol.	April Last	July Vol.	July Last	Oct. Vol.	Oct. Last	Stock
ABN C F.300	12	8	—	—	—	—	F.288.50
ABN C F.320	60	2	—	—	—	—	"
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Feb.		May		Aug.		
BA C $45	1	17¾	—	—	—	—	$63
BA C $50	—	—	1	14½	—	—	"
BA C $60	—	—	21	7¼	6	8¼	"
OXY C $25	—	—	4	3	—	—	$26¼

TOTAL VOLUME IN CONTRACTS 2507

C=Call P=Put

NEW LIFE BUSINESS

UK and Ireland expansion aids Canada Life growth

SUBSTANTIAL GROWTH in new business in the UK and Republic of Ireland for 1979 is reported by The Canada Life Assurance Company with new annual premiums rising by 16 per cent from £4.3m to over £5m, while single premiums advanced by 26 per cent from £2.7m to £3.5m.

New annual premiums for ordinary life business improved by nearly 10 per cent to £3.8m, much of this growth coming from linked business. Unit-linked life business improved 60 per cent and linked self-employed premiums by 35 per cent.

The growth in single premium business came primarily from sales of guaranteed bonds in Ireland. Unit linked bond business declined last year.

The company has also increased its 1980 bonus rates by an average of 8 per cent. The company operates the North American method of bonus distribution — the contribution system—on which the bonus rate varies by age, duration, type of contract and other factors.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims—W. G. Allen, Burt Boulton, Davy Corporation, Inchcape, Macarthys Pharmaceuticals, Stroud Riley Drummond, Whatlings.

Finals—Bullough, Derby Trust, A. Kershaw, Y. J. Lovell, Muirhead, Rank Organisation, Rank Precision Industries, R. Smallshaw (Knitwear), Warner Estate, Watson and Philip.

FUTURE DATES

Interims—
Country and New Town Props. .... Jan. 28
Estates Property Investment .... Jan. 28
Jentiqus .... Feb. 18

Finals—
Braid Group .... Jan. 28
Lonrho .... Feb. 4

COLONIAL MUTUAL

The Colonial Mutual Life Assurance Society achieved record new life assurance business in 1979, with new annual premiums rising by 21 per cent from £5.2m to £6.3m and single premiums tripling from £65,000 to £202,000. New sums assured advanced by nearly 40 per cent from £675m to £936m, and new annuities rose slightly from £1.44m to £1.47m.

However, pension business was mixed. New annual premiums halved from £3.3m to £1.4m, but single premiums improved by 60 per cent from £1.9m to £3m. New premiums received by the Managed Fund subsidiary also declined by half from £2.2m to £978,000. But the company points out that 1978 was an exceptional year for pensions business with premium income rising hy 165 per cent.

MANULIFE

A successful year in sales of ordinary life business in 1979 resulted in new annual premiums of the ManuLife Group, a member of the Canadian Manufacturers Life Insurance Company, improving by 12½ per cent from £3.91m to £4.4m. But it could not stop single premiums declining by one-third from £2.39m to £1.62m.

Last year, ordinary business, both conventional and unit-linked recorded a 25 per cent rise in annual premiums from £2.42m to £3.03m and a 43 per cent jump in single premiums from £941,000 to £1.34m. But pensions business overall showed a drastic decline, especially in single premium business.

IMPERIAL LIFE ASSURANCE

Another successful year for new life and pensions business is reported by The Imperial Life Assurance Company of Canada, with new annual premiums improving by nearly 15 per cent from £4.6m to £5.27m and single premiums advancing by 11 per cent to £1.25m. This follows the good results of the previous year.

Ordinary life business was buoyant with new annual premiums up by 12 per cent from £3.13m to £3.51m, while unit-linked business advanced by more than 60 per cent to £559,000. Group pensions business rose by over 20 per cent to £266,000 and individual pensions business remained firm at £713,000. There was a rise of 17 per cent to £214,000 in premiums on permanent health contracts.

HOGG ROBINSON CHANGES

Hogg Robinson Group has merged its existing international and reinsurance divisions into ona subsidiary company with effect from January 1, 1980. Mr. J. G. Hogg will be chairman of the new company.

Growth for Planned Savings

A successful year for new life and pensions business is reported by The Planned Savings Group. The parent company reported annuity considerations at £4.88m against £165,000 in 1978, most of this business coming from temporary annuity contracts to fund the Family Bond issued by the friendly society. New annual premiums were unchanged at £94,000 but single premiums nearly doubled from £340,000 to £553,000.

Annual premiums received by Family Assurance, the friendly society in the gorup, amounted to £4m against £313,000 in 1978. This rise in business came almost entirely from the marketing of the Family Bond and Family Annuity, savings plans that use the tax privileges of friendly societies.

Reliance Mutual progress

The Reliance Mutual Insurance Society reports new annual premiums doubling last year from £660,000 to £1.3m in the Ordinary branch, with single premiums rising slightly from £415,000 to £430,000.

The company achieved buoyant sales in protection contracts, especially whole life non-profit policies where business more than doubled. Reliance Mutual, which is not a member of the Life Offices Association, still pays commission on the old sum-assured basis, which is very favourable to this type of contract.

In the industrial branch, annual premiums nearly doubled from £282,000 to a grossed-up value of £440,000. In common with other home service companies, the company benefited from the change in method of granting tax relief. But the underlying growth in this business was 35 per cent to £380,000.

Eagle Star increases bonus rates

HIGHER RATES of reversionary bonus have been declared by the Eagle Star Group on with-profit contracts, following the annual valuation of the life funds as at December 31, 1979.

Under ordinary policies the rate is improved by 15p to £4.30 per cent of the sum assured and attaching bonuses, with the interim rate for this year at the same level. But the terminal bonus rate paid on death or maturity claims remains at 20 per cent of attaching bonuses.

Under Eagle Star personal pension and executive pension plans, the bonus rate is lifted from £4.15 per cent to £4.50 per cent of the basic benefit and attaching bonuses. There is no terminal bonus on these schemes.

Under all other pension schemes, the bonus rate is £5 per cent compound compared with £4.50 in 1978, with the final maturity bonus lifted from 30 per cent to 40 per cent of the total benefits. The interim bonus rates remain at the 1979 levels.

Companies and Markets

CURRENCIES, MONEY AND GOLD

Dollar soft

THE DOLLAR lost ground against most currencies yesterday in moderate trading, while sterling steadied after an initial loss. The dollar opened at its best level for the day but lost ground during the morning and early afternoon before picking up towards the close to finish in the middle of the day's range. Against the D-mark it closed at DM 1.7295 from DM 1.7330 and SwFr 1.6060 against SwFr 1.6100 previously. The Japanese yen was firmer, aided by improved trade figures for December, and the U.S. unit fell to Y237.20 from Y239.60. On Bank of England figures, the dollar's trade weighted index fell to 84.6 from 84.9.

Sterling eased during the morning as the tight money conditions seen recently in domestic markets showed signs of easing. Its trade weighted index fell to 71.8 in the morning but stayed at this level for the other two calculations at noon and in the afternoon. This was compared with Tuesday's close of 72.0. Against the dollar the pound opened at $2.2730 and sank quite quickly to $2.2680 before recovering to $2.2750 by noon. During the afternoon it touched a best level of $2.2800 and closed at $2.2785-2.2795, a rise of 35 points from Tuesday.

D-MARK—Very strong, but showing a steadier tendency within the European Monetary System, following a recent rise—The D-mark improved against most EMS currencies as well as sterling and the U.S. dollar. Sterling was fixed at DM 3.9360 against DM 3.9500, while the dollar eased to DM 1.7303 from DM 1.7315. Trading was unsettled to some extent by the wild fluctuations in the gold market. However, dealers remained fairly confident that the dollar would remain around the DM 1.73 level for some time.

BELGIAN FRANC—Generally weakest member of EMS, but resists devaluation—The franc was generaly firmer against most currencies, with the French franc easing to BFr6.934 from BFr6.935 at the fixing and the Irish punt down at BFr60.07 compared with BFr60.20. The Danish krone showed a slight improvement to BFr5.202 from BFr5.198, while the D-mark was fractionally changed at BFr16.245 against BFr16.246. Sterling dipped below BFr64 to BFr63.9275, compared with BFr64.20 on Tuesday.

ITALIAN LIRA—Steadier recently after falling from the top of the EMS last November—The lira showed mixed changes against other EMS currencies, but was firmer against the U.S. dollar and sterling. However, recent trends have suggested that the lira is likely to lose ground against its EMS partners, as political unrest continues and inflation increases. Euro-lira interest rates tended to reflect this sentiment with the one-month rate rising to 22 per cent from 20½ per cent a week ago.

DANISH KRONE—Basically weak, suffering two devaluations since EMS began last March—The krone was firmer against most currencies at yesterday's fixing. The dollar slipped to DKr541.15 from DKr541.65 and sterling was easier at DKr12.2960 compared with DKr12.3570. Within the EMS notable falls included the French franc to DKr133.35 from DKr133.63 and the Irish punt to DKr11.5700 against DKr 11.6000.

JAPANESE YEN — Energy problems reflected in sharp decline last year, but slightly firmer recently—Fears that the discount rate may be increased from its present level of 6¼ per cent prompted a further decline for the U.S. dollar against the yen. It closed at Y238.175, down from Tuesday's level of Y240.35. The yen was also helped by the expectation of better trade figures

THE POUND SPOT AND FORWARD

Jan. 23	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.2830-2.2800	2.2785-2.2795	0.85-0.75c pm	4.21	1.65-1.55 pm	2.81
Canada	2.6240-2.6430	2.6410-2.6420	0.95-0.85c pm	4.09	2.30-2.20 pm	3.41
Nethlnd.	4.33½-4.36½	4.34¾-4.35¾	2½-1¼c pm	6.20	6⅞-5⅞ pm	5.96
Belgium	63.90-64.15	64.00-64.10	27-17c pm	4.12	47-37 pm	2.62
Denmark	12.28-12.33	12.31¾-12.32¾	3-1ore pm	1.95	¼ pm-1¼dis	-0.24
Ireland	1.0585-1.0670	1.0645-1.0655	par-0.10p dis	-0.56	0.14-0.24dis	-0.71
W. Ger.	3.92½-3.96½	3.94-3.95	3¼-2¼pf pm	8.12	8⅞-7⅞ pm	5.49
Portugal	113.10-114.30	114.00-114.20	par-50c dis	-2.63	45-145 dis	-3.33
Spain	149.70-150.60	150.45-150.55	10c pm-40 dis	-1.20	20-120 dis	-1.86
Italy	1,832-1,838	1,837-1,838	5½-7¼ lire dis	-4.41	19¾-21¼ dis	-4.52
Norway	11.18-11.22	11.20½-11.21½	7¾-5¾ore pm	7.22	18-10 pm	5.35
France	9.20-9.24	9.22-9.23	4½-3c pm	5.63	10-9 pm	4.12
Sweden	9.42½-9.48½	9.47-9.48	4¼-2¼ore pm	4.12	9½-7½ pm	3.58
Japan	533-543	540-541	4.55-4.30y pm	9.82	12.00-11.75pm	8.78
Austria	28.20-28.40	28.30-28.35	23-13gro pm	7.62	62-52 pm	8.05
Switz.	3.64-3.67½	3.65¾-3.66¾	4¼-3¼c pm	13.51	11-10 pm	11.47

Belgian rate is for convertible francs. Financial franc 65.70-65.80. Six-month forward dollar 2.23-2.13c pm. 12-month 3.45-3.35c pm.

THE DOLLAR SPOT AND FORWARD

Jan. 23	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.2830-2.2800	2.2785-2.2795	0.85-0.75c pm	4.21	1.65-1.55 pm	2.81
Ireland†	2.1345-2.1370	2.1345-2.1365	1.10-1.00c pm	5.90	2.10-2.00 pm	3.84
Canada	1.1606-1.1612	1.1608-1.1612	0.10-0.06c pm	0.83	0.21-0.17 pm	0.65
Nethlnd.	1.9093-1.9110	1.9100-1.9110	0.45-0.35c pm	2.51	1.65-1.55 pm	3.35
Belgium	28.08-28.18	28.08-28.10	½-2c dis	-0.53	2 pm-par	0.14
Denmark	5.4060-5.4100	5.4085-5.4100	0.75-0.25ore dis	-1.11	3.75-4.25dis	-2.96
W. Ger.	1.7265-1.7365	1.7290-1.7300	0.78-0.68pf pm	5.13	2.52-2.42 pm	5.71
Portugal	50.00-50.10	50.00-50.10	15-25c dis	-4.79	45-75 dis	-4.79
Spain	66.03-66.06	66.03-66.05	15-25c dis	-3.63	58-78 dis	-4.12
Italy	806.75-808.25	806.95-807.15	5½-15½ lire dis	-8.92	14½-16 dis	-7.56
Norway	4.9220-4.9245	4.9230-4.9240	1.50-1.00ore pm	3.05	3.60-3.10 pm	3.72
France	4.0440-4.0650	4.0440-4.0480	0.45-0.35c pm	1.19	1.55-1.40 pm	1.46
Sweden	4.1555-4.1570	4.1560-4.1570	0.30-0.10ore pm	0.58	0.90-0.70 pm	0.77
Japan	235.50-237.50	237.15-237.25	1.30-1.15y pm	6.20	3.70-3.55 pm	6.11
Austria	12.423-12.43½	12.43-12.43½	4.80-4.10gro pm	4.34	17¾-15¾ pm	5.31
Switz.	1.6000-1.6130	1.6055-1.6065	1.10-0.98c pm	7.77	1.70-1.45 pm	3.92

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY RATES

Jan. 23	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	17	0.577713	0.631180
U.S. $	19	1.31748	1.46909
Canadian $	14	1.52643	1.66935
Austria Sch.	6¾	16.5829	17.8876
Belgian F.	10½	37.0673	40.4980
Danish K.	11	7.13166	7.78908
D Mark	6	2.28122	2.49323
Guilder	8½	2.51770	2.75082
French Fr.	9½	5.34302	5.83863
Lira	15	1063.54	1161.71
Yen	6¼	317.681	346.101
Norwgn. Kr.	9	6.47376	7.08177
Spanish Pta.	8	87.0678	95.0981
Swedish Kr.	10	5.47018	6.98273
Swiss Fr.	8	2.11183	2.30674

CURRENCY MOVEMENTS

Jan. 23	Bank of England Index	Morgan Guaranty changes %
Sterling	71.8	-34.4
U.S. dollar	84.5	-8.3
Canadian dollar	81.3	-15.6
Austrian schilling	137.5	+94.0
Belgian franc	115.3	+16.8
Danish kroner	108.8	-6.8
Deutsche mark	158.3	+46.4
Swiss franc	201.9	+80.6
Guilder	123.1	+20.4
French franc	109.4	-3.4
Lira	54.9	-46.8
Yen	119.1	+17.8

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England index=100).

OTHER MARKETS

Jan. 23	£	$		£ Note Rates
Argentina Peso	3738-3768	1640-1650	Austria	27.65-28.20
Australia Dollar	2.0480-2.0800	0.8990-0.9005	Belgium	65.30-65.80
Brazil Cruzeiro	99.01-100.01	43.48-43.90	Denmark	12.65-12.95
Finland Markka	8.40-8.41	3.7000-3.7020	France	9.19-9.25
Greek Drachma	n/a	n/a	Germany	3.92½-3.96
Hong Kong Dollar	10.91½-10.93½	4.8070-4.8100	Italy	1875-2000
Iran Rial	n/a	n/a	Japan	537-542
Kuwait Dinar (KD)	0.310-0.580	0.2719-0.2720	Netherlands	4.33½-4.38
Luxembourg Frc.	64.00-64.10	28.08-28.10	Norway	11.16-11.24
Malaysia Dollar	4.9625-4.9785	2.1820-2.1830	Portugal	116-124
New Zealand Dlr.	2.3020-2.3080	1.0115-1.0135	Spain	149½-157½
Saudi Arab. Riyal	7.55-7.65	3.3598-3.3605	Sweden	9.42-9.48
Singapore Dollar	4.8830-4.8930	2.1505-2.1515	Switzerland	3.64½-3.66½
Sth. African Rand	1.8625-1.8640	0.8170-0.8180	United States	2.27-2.278
U. A. E. Dirham	8.42-8.52	3.7496-3.7432	Yugoslavia	48-52

Rate given for Argentina is free rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU January 23	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.4640	+1.69	+1.42	±1.53
Danish Krone	7.72336	7.77899	+0.72	+0.45	±1.64
German D-Mark	2.48208	2.49176	+0.39	+0.12	±1.125
French Franc	5.84700	5.83558	-0.19	-0.46	±1.3657
Dutch Guilder	2.74362	2.75066	+0.26	-0.01	±1.512
Irish Punt	0.661201	0.674075	+0.88	+0.61	±1.668
Italian Lira	1157.79	1161.67	+0.34	+0.34	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

Jan. 23	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.279	3.943	540.3	9.983	3.663	4.383	1838.	2.642	64.08
U.S. Dollar	0.439	1.	1.731	237.8	4.048	1.607	1.910	806.6	1.158	28.10
Deutschemark	0.253	0.578	1.	137.0	2.338	0.928	1.103	465.8	0.670	16.24
Japanese Yen 1,000	1.850	4.218	7.299	1000.	17.07	6.776	8.056	3400.	4.887	118.3
French Franc 10	1.084	2.470	4.276	585.8	10.	3.970	4.718	1998.	2.863	69.46
Swiss Franc	0.273	0.622	1.077	147.8	2.519	1.	1.188	501.7	0.721	17.46
Dutch Guilder	0.230	0.524	0.906	124.2	2.119	0.841	1.	422.2	0.607	14.79
Italian Lira 1,000	0.544	1.240	2.147	294.1	5.020	1.993	2.368	1000.	1.438	34.86
Canadian Dollar	0.379	0.863	1.493	204.8	3.482	1.387	1.648	695.6	1.	24.25
Belgian Franc 100	1.561	3.551	6.159	843.9	14.40	5.718	6.796	2869.	4.124	100.

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one month 13.85-13.95 per cent; three months 14.00-14.10 per cent; six months 14.05-14.15 per cent; one year 13.20-13.30 per cent.

Jan. 23	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
Short term	8½-18	13⅝-13⅞	13-14	10½-10¾	1-1¼	8⅛-8¼	11⅝-11⅞	30-35	—	4¾-6⅛
7 days' notice	17⅝-18⅛	13¾-14	13-14	10⅝-10⅝	10⅛-11	8⅛-8⅜	11¾-12	99-24¼	13 13/16-14 1/16	6⅜-7⅛
Month	17⅝-17¾	13 11/16-13 15/16	13⅜-13¾	10⅝-11	5⅛-5⅜	8¼-8⅜	12⅛-12⅜	21¼-22¾	14⅛-14¼	7¼-7½
Three months	17⅛-17⅛	14⅛-14⅛	13½-13 11/16	10¾-11	5½-5⅝	8⅜-8⅛	12¾-13	21-23	14⅛-14½	7⅞-8⅛
Six months	15⅝-16¾	14 1/16-14 5/16	13⅛-13⅜	10¾-11	5⅛-5⅜	8 1/16-8⅜	13⅛-13⅛	20-21	14⅛-14⅛	8⅛-8⅜
One year	15⅜-15⅞	13⅛-13¾	12⅞-13¼	10¾-11	6⅛-6⅜	8⅜-8⅛	12⅝-13⅛	20-21	12⅜-12⅝	7⅞-8⅛

Long-term Eurodollar two years 12⅛-12⅞ per cent; three years 12-12⅛ per cent; four years 11⅞-12⅛ per cent; five years 11¾-12 per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

Austrian bank rate up

European short-term interest rates showed mixed changes yesterday as the Austrian National Bank increased bank rate to 5.25 per cent from 3.75 per cent. The Lombard rate rose to 5.75 per cent from 4.25 per cent.

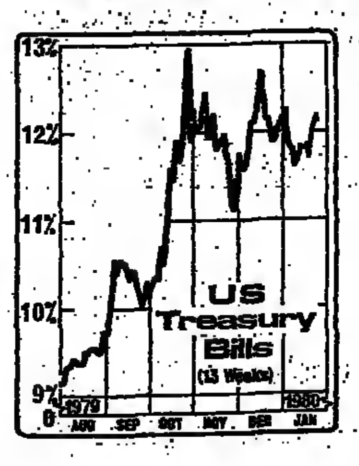
The Bank of France auctioned FFr 1.2bn of seven-month Treasury bills at a yield of 12.25 per cent, compared with 12.808 at the previous auction on December 10. Day-to-day money firmed to 11⅞ per cent from 11¾ per cent in the Paris money market, while term rates were steady except for three-month funds which rose to 12½-12⅝ per cent from 12⅜-12½ per cent.

In Frankfurt call money eased to 8.45-8.55 per cent from 8.55-8.60 per cent, but period rates were generally firmer, except three-month money which eased to 8.85-8.90 per cent from 8.90-9.00 per cent.

In Amsterdam Call money rose to 10½-10¾ per cent from 10⅛-10⅜ per cent, while one-month funds eased to 11-11¼ per cent from 11⅛-11⅜ per cent, but three-month and six-month money was unchanged.

In Brussels deposit rates for the Belgian franc were unchanged.

In Singapore the authorities announced an offer of S$50m in 91-day Treasury bills from January 28 to February 1. The bills will partially redeem S$45m in 91-day bills, and S$25m in 182-day bills which are due to mature.



GOLD

Erratic trading

Trading in yesterday's bullion market was extremely erratic, and gold moved within a range of around $150. It closed at $690-710, a rise of $10 an ounce. After opening at $625-640, the metal dipped to $580-600 before coming back at the morning fixing to $650. The afternoon fixing was extremely long, taking about 90 minutes, during which time gold ranged between $673 and $745, before being fixed at $695.

In Paris the 12½-kilo bar was fixed at FFr 83,700 per kilo ($642 per ounce) compared with FFr 85,000 ($651.97) in the morning and FFr 90,500 ($693.82) on Tuesday afternoon.

	January 23		January 22	
Gold Bullion (fine ounce)				
Close	$690-710	(£303-312)	$680-700	(£299-308)
Opening	$625-640	(£275½-282)	$830-840	(£363-368)
Morning fixing	$650	(£286.092)	$763	(£334.548)
Afternoon fixing	$695	(£306.086)	$737.50	(£322.920)
Gold Coins				
Krugerrand	$700-720	(£295-310)	$700-720	(£305-320)
Mapleleaf	$700-720	(£295-310)	$700-720	(£305-320)
New Sovereigns	$180-185	(£74-80)	$180-185	(£74-80)
King Sovs.	$185-195	(£75-85)	$185-195	(£75-80)
Victoria Sovs.	$185-195	(£75-85)	$185-195	(£75-80)
Fr 20 Napoleon	FFr 765-735	(SFr250-270)	FFr760-775	(SFr260-280)
50 pesos Mexico	$870-890		$870-890	
100 Cor. Austria	$700-716		$700-713	
$20 Eagles	$745-775		$745-773	
$10 Eagles	—		—	
$5 Eagles	—		—	

UK MONEY MARKET

Heavy shortage

Bank of England Minimum Lending Rate 17 per cent (since November 17, 1979)

Day-to-day credit was in very short supply in the London money market yesterday, and the authorities gave exceptionally large assistance. They bought a moderate amount of Treasury bills from the discount houses and banks, some for resale at a fixed future date; a small number of local authority bills, some for resale at a fixed future date; and a small amount of eligible bank bills from the houses, all for resale at a fixed future date. The Bank of England also lent a large amount to eight or nine houses, overnight at Minimum Lending Rate.

Further tax payments were reflected in a moderate surplus of revenue payments to the Exchequer over Government disbursements, while the market was also faced with repayment of the moderate amount borrowed from the authorities on Tuesday. The balance of the shortage was created by demand for Government stock, particularly the new long "tap." On the other hand banks brought forward small surplus balances and there was a small cut in the note circulation.

Discount houses paid up to 17 per cent for secured call loans, with closing balances taken at 15-16 per cent.

In the interbank market overnight loans opened at 21-23 per cent, and fell to 18-20 per cent in the morning and 17½-17¾ per cent at lunch. During the afternoon money fell to 16 per cent, but closed around 19 per cent.

Rates in the table below are nominal in some cases.

MONEY RATES

NEW YORK

Prime Rate	15-15¼
Fed. Funds	13⅞-14⅛
Treasury Bills (13-week)	12.15
Treasury Bills (26-week)	11.85

GERMANY

Discount Rate	6
Overnight Rate	8.5
One month	8.775
Three months	8.875
Six months	8.8

FRANCE

Discount Rate	9.5
Overnight Rate	11.875
One month	12.0625
Three months	12.3125
Six months	12.1875

JAPAN

Discount Rate	6.25
Call (Unconditional)	8.0625
Bills Discount (three-month)	8.5

LONDON MONEY RATES

Jan 23 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	16-23	—	—	—	17¼-17½	15-17	—	—	—
2 days notice	—	—	17¾-19¼	—	—	—	—	—	—	—
7 days or 7 days notice	—	18-22	17¾-18½	—	18¼	17⅞	15⅞-17	—	—	—
One month	17⅞-17⅝	17⅝-18¾	17½-18¾	18¾-18¼	17⅝	17⅞	16¾	16 1/16-15⅝	17¼-17 7/16	18½
Two months	17½-17½	17½-18	—	18½-18	17¾	—	16½	15⅝-15¾	17-17½	18
Three months	17 3/16-16 15/16	17½-17 5/16	15⅞-17⅝	17¾-17¼	17⅛	17⅞	15¼	15 11/16-18 11/16	16 7/16-16 13/16	17
Six months	16 7/16-15 15/16	16-16 1/16	16-15⅝	18¼-18	18¼	—	—	—	16 13/16-15⅜	15⅞
Nine months	15¾-14⅞	15⅛-18⅛	—	15¾-15⅝	18⅝	—	—	—	—	—
One year	14¾-14⅝	14¾-18⅛	15⅜-16⅝	15⅝-16	16¼	—	—	—	—	—
Two years	—	—	15⅝-16⅝	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days fixed. • Long-term local authority mortgage rates nominally three years 15¼-15½ per cent; four years 15-15½ per cent; five years 14⅞-15¼ per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 15⅝-15 9/32 per cent; four-months trade bills 16¾ per cent.

Approximate selling rates for one-month Treasury bills 15 31/64-15½ per cent; two-months 15⅝ per cent; three-months 15⅝-15 11/16 per cent. Approximate rate for one-month bills 17⅛-17 5/32 per cent; two-months 16 11/16-16 25/32 per cent; three-months 16⅝ per cent; one-month trade bills 18¾ per cent; two-months 17⅝ per cent and three-months 16⅝ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 17 per cent from January 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 13 per cent. Clearing Bank Rates for lending 17 per cent. Treasury Bills: Average tender rates of discount 15.749 per cent.

NORTH AMERICAN NEWS

Union Carbide rise is against trend

BY IAN HARGREAVES IN NEW YORK

UNION CARBIDE, the second largest U.S. chemical company, yesterday posted a healthy profits increase, buoyed by a sharp rise in exports, but its performance was not matched by other chemicals and fibre companies.

Monsanto, the number four chemicals group, reported a 70 per cent drop in earnings for the fourth quarter, and the Celanese Corporation, hit by losses on its U.S. polyester and nylon business, saw fourth quarter net earnings slide by 22 per cent to $1.85 per share.

Union Carbide reported net earnings for the quarter of $131.9m, compared with $127.9m a share in 1978, when the company was helped by a $24.7m after-tax gain from the sale of its European petrochemical business to British Petroleum.

For the whole year, profits were up 41 per cent to $556.4m on sales of $9.18bn—a 17 per cent increase. In the fourth quarter, sales were 15 per cent higher than the same period of 1978 at $2.09bn.

Although, like all chemical companies, Union Carbide has been faced with soaring feedstock costs, the fact that it managed to lift its average selling price by 11 per cent last year indicates that it kept slightly ahead of general inflation in the U.S.

The strongest area was export sales, which were up by 53 per cent, reflecting the weak dollar. Domestic sales were up 20 per cent. Mr. William S. Sneoth, chairman, said that near capacity operations and slightly higher profit margins had been assisted by an increase in productivity in the U.S. and Puerto Rico, where sales per employee rose by 16.6 per cent to $97,437.

Celanese Corporation, which relies more on finished fibre and plastics than on basic chemicals, had a difficult final period last year. Income slipped by 22 per cent to $1.85 a share or $27.7m, in spite of an 18 per cent increase in sales to $814m.

For the year, income reached a record figure of $141m or 9.52 per share, a 25 per cent increase. Sales were up 21 per cent at $3.1bn.

Mr. John D. Macomber, chairman, said that the chemicals business had enjoyed a record year, and that cellulosics (fibre produced from a non-petrochemical base) and international fibre operations had a good year, in spite of a fourth quarter decline.

Plastics, however, suffered from weak demand and the U.S. polyester and nylon fibre activities turned in a $2m loss at 12 cents per share in the fourth quarter.

The full break down of earnings per share by product group in the quarter was chemicals $1.47, fibres 34 cents, U.S. cellulosics 32 cents, international 14 cents and others, including plastics, 4 cents.

INA ends year with modest advance

By Our New York Staff

INA, THE FIRST major *insurance company* to report fourth quarter results, recorded a modest gain in earnings.

Income was $63.9m or $2.48 per share, up from $56.4m or $2.22 in the same period of 1978. Full-year results were $244.6m or $9.51, up from $211.4m or $8.37.

The company said that the *improvement reflected* its growing balance in earnings, and measures to mitigate the cyclical effects of property and casualty insurance. Pre-tax earnings from property and insurance were similar to those of 1978.

Connecticut General battles on for ERC

HARTFORD — Connecticut General Insurance Corporation is determined to continue with its proposed offer to shareholders of ERC Corporation, the financial services group.

Connecticut General said: "Our proposed offering price to the ERC shareholders continues to be $80 per share cash. We have constantly sought a dialogue with ERC and its board. We even proposed to raise our offering price to $90 per share cash if ERC would enter into a co-operative effort with us.

"ERC has steadfastly refused all opportunities to explore or *negotiate any of* the aspects of our proposal."

The company added that it is "continuing with its proposed offer after having considered all aspects and developments very carefully." AP-DJ

Burlington Industries lifts turnover

By John Wicks in Zurich

TURNOVER of America's leading textile manufacturer Burlington Industries, based at *Greensboro, North Carolina*, rose by 10.5 per cent last year to a record $2.67bn, according to a report released by the group's European headquarters in Basle.

Profit performance was, however, "still far from satisfactory," although the 9.2 per cent growth in net profits, from $70.32m, or $2.50 a share, to $76.22m, $2.73 a share, was within the range of what had been expected for the year.

A breakdown of group turnover shows sales of $1.56bn of products for apparel markets, including clothing fabrics, textured and spun yarns and hosiery, compared with $1.39bn in 1978.

In clothing products, 1979 growth is attributed largely to the greatly improved denim market.

Good year for Control Data

BY OUR FINANCIAL STAFF

CONTROL DATA, one of the major suppliers of computer services, systems and peripheral equipment, increased its earnings substantially in 1979, although the total for the final quarter was adversely affected by special factors.

At the year end, earnings were 39 per cent higher at $124.2m, with per share earnings up from $5.17 to $7.20—slightly above Wall Street forecast. At $2.3bn, sales showed a 21 per cent gain.

The final quarter turned in earnings of $23.8m against $24.2m—but the company points out that the picture is distorted by extraordinary credits of $865,000 this time, compared with $3.8m

Also affecting fourth quarter earnings this time were substantially higher research and development charges and a change in the accounting method on leases which *reduced earnings by $3.6m.*

Mr. Marvin G. Rogers, senior vice president, said, however, that the increased earnings for the year reflected a strong demand for the company's computer services.

Analysts have already predicted a further earnings gain of around 28 per cent in 1980, to a total of $9.10 a share.

Higher spending plans at Hughes Tool

BY OUR FINANCIAL STAFF

HUGHES TOOL, claimed to be the world's leading producer of oil and gas well drilling bits, plans to increase capital expenditures to $150m in 1980, with 40 per cent allocated for drilling tools and the rest for production tools and services. Last year, the group allocated some $90m for capital spend-*ing, although there are no* figures available of actual expenditure, said a spokesman for the company.

Hughes has managed to beat forecasts for 1979 by lifting earnings from $3.25 a share to $3.88. Total net increased from $69.7m to $84.6m, and sales at $804.6m compared with $659.4m.

The rate of progress was fully maintained in the final quarter when earnings increased from $20.9m or 97 cents a share to $26.7m or $1.20. Sales rose from $182.9m to $245.3m.

Predictions that earnings will rise to $450 a share in the current year have already been expressed by market analysts. AP-DJ

INTERNATIONAL CAPITAL MARKETS

Big demand for Carter issue boosts bond prices

BY FRANCIS GHILES

DEMAND for the second tranche of "Carter bonds"—which the Deutsche Bank and the U.S. Treasury intended to limit to DM 2bn—proved to be heavier than was expected. A total of DM 4bn is understood to have been subscribed for by domestic German investors. Final allocation of the 2½ and 3½ year notes will be announced by the *Bundesbank this morning.*

Indications that demand for the Carter bonds was heavy had the effect of lifting bond prices both in the domestic and the foreign German bond markets. In the domestic sector, bonds posted gains of ½ point on average and the Bundesbank had to sell DM 170m worth of bonds to satisfy investor demand. On Monday and Tuesday it sold very small quantities into the market.

The 2½-year tranche of the "Carter bonds" offers investors a return of 8.50 per cent while the 3½-year issue returns 8.45 per cent. These yields are 15-20 basis points above what investors can obtain *on* domestic D-Mark bonds of similar maturity.

Foreign D-Mark bonds posted price gains of up to ½ of a point. This sector was further comforted by Dresdner Bank's decision to increase the coupon on the DM 50m 10-year public bond it is arranging for Jutland Telephone by ½ of a per cent to 8½ per cent. This would bring the yield to the investor up to 8.50 per cent, assuming the issue is priced at par.

This increase in the indicated coupon follows a ½ per cent increase, to 8 per cent, in the coupon Oesterreichische Kontrollbank *is offering* on the DM 150m seven-year issue it is floating through Deutsche Bank. Some secondary market prices moved up by much more than ½.

For instance both tranches of the recent issue for Denmark showed gains of ½ of a point. The shorter tranche was quoted at 97½-98½ while the longer dated one finished the day at 98½-½.

Swiss franc bond prices were stable yesterday but are still 2½ points lower, on average, over the past week. Two Japanese convertibles have been completed: a SwFr 20m five-year issue which includes a coupon of 5½ per cent for Gunze Sangyo through Swiss Volksbank and a SwFr 40m five-year bond which includes an identical coupon for Tokyo Style through Swiss Bank Corporation.

Dollar straight issues gained about ½ of a point on the day, while sterling bonds shed an average of ½ of a point. The $40m 15-year convertible for Ajinomoto which offers a coupon of 7½ per cent and was priced at par on Tuesday was quoted during its first day of trading at 97½-8½.

Latin America in loans rush

BY OUR EUROMARKETS STAFF

AMONG DEVELOPING countries currently seeking loans on the syndicated loan market, Latin American countries remain the most prominent.

Arrangements have been nearly completed on a $350m 10-year loan for the Republic of Colombia which carries a margin over the interbank rate of ⅞ per cent throughout. Ten banks are participating as managers, each having com-*mitted itself to $35m. Bank of* America is running the books and Chemical Bank is acting as agent.

Terms for this borrower have hardened a little since it raised its last major loan, $600m, in April 1979. Then it paid a split margin of ¾-⅞ per cent over the interbank rate for 10 years.

The $500m loan being arranged for Venezuelan agencies by an international group of banks, for which Bank of America is acting as agent, is expected to come to the market next month. The borrower is paying a margin of ⅞ per cent over the U.S. prime rate for 10 years.

Meanwhile, a $260m loan for the Venezuelan state steel company is expected shortly. The mandate has not yet been awarded but the terms will be watched with interest by bankers.

Neighbouring Ecuador has arranged a $30m 10-year loan for the state electricity company, INECEL. The borrower is paying a margin of ⅞ per cent for the first two years which rises to ⅞ per cent for the remaining eight years of the loan's life. Seven banks, including Bank of America, Bank of Montreal (Nassau), Royal Bank of Canada, Toronto Dominion Bank, Orion, Eurobraz and National Bank of North America are managing the loan, which is being arranged on a "club" basis.

Further south, Peru is repaying $600m worth of funds to banks and official Western credit organisations ahead of time. This money was originally earmarked to refinance outstanding debts which mature in 1980. The faster than expected rise in export income and in the country's hard currency reserves (to $57.1m) has enabled the Peruvian authorities to speed up repayments.

A few months ago, Peru prepayed $376.6m worth of loans to banks in New York in a lump sum, instead of over seven years as initially envisaged. This move alone is expected to save the country some $120m in interest payments, according to Dr. Moreya, the president of Peru's central bank. Dr. Moreya also *said that the country's hard* currency debt was cut by $700m to $8bn between the end of 1978 and today.

Earnings dip at General Foods

BY DAVID LASCELLES IN NEW YORK

GENERAL FOODS, the large U.S. food-making group, registered a sharp dip in earnings for its third quarter ended December 29. But the company said that this had been anticipated because of exceptionally strong growth in earlier reporting periods.

Earnings were $52.5m (or 1.05 per share, down 24 per cent on the $69m or $1.38 earned in the same period the year before. Third quarter sales rose, however, from $1.4bn to $1.5bn. This brought ninemonth earnings to $196.3m or $3.93 per share compared with $175.3m or $3.51, and sales to *$4.4bn, up from $4bn.*

Mr. James Ferguson, chairman, said that the third quarter dip was caused partly by the exceptional strength of the 1978 figures due to carbonated candy sales. But recent earnings had been affected by lower returns on worldwide packaged food sales, foreign currency translations, and slower growth in coffee earnings after the sharp gains registered earlier in the year.

He said that economic pressures were *such that General* Foods' final quarter might also be down on last year. "The company is feeling margin pressure because of rising costs as well as the need for increased marketing and promotional support for our brands in the current economic and competitive environment," he said.

Tenneco sees sharp upturn

BY JOHN WICKS IN ZURICH

TENNECO, the Houston-based oil, natural gas and construction equipment group, should show an *increase in 1979 operating* income of "a couple of hundred million dollars" over the $1.12bn in 1978, Mr. Dean Maddox, vice president and chief financial officer, said in Zurich.

Earnings from oil industry operations last year increased by the biggest sum in Tenneco's *history, he said. This followed a* rise in operational income from this sector of $82m to $481m in 1978.

Last year oil business accounted for 49 per cent of total operation income, compared with 43 per cent in 1978, and this share is seen as remain-*ing about the same over the* coming five years.

Elsewhere, the contribution of natural gas pipeline operations to income declined from 26 to 21 per cent last year. A further 17 per cent came from *manufacturing* and the remaining 13 per cent from other activities. A "major turn around" is reported in shipbuilding activities, which in 1979 showed a profit of some $30m.

Tenneco feels certain that last year it repeated its 1978 turnover growth rate, or improved on it. In 1978 net sales and operating revenues increased by 18 per cent to $8.76bn. *Analysts on Wall Street expect* a rise in per-share earnings from $4.30 to around $5.10.

Capital expenditure, excluding any further acquisitions, are put at about $1.4bn for 1979 and will probably be at least as high *again this year. Tenneco would* "be very happy," Mr. Maddox said, if it could spend an additional sum of between $600m and $700m on acquisitions. In the oil sector, the company aims for total replacement of oil *raised, with acquisitions making* up for any deficit in the location of new reserves.

Mr. Yeo leaves in big reshuffle at First Chicago

BY STEWART FLEMING IN NEW YORK

FIRST CHICAGO Corporation, parent company of the First National Bank of Chicago, yesterday announced another unexpected change in its top management — the resignation of Mr. Edwin Yeo, who was Under Secretary of the Treasury in the Ford Administration.

Mr. Yeo's departure from First Chicago, the ninth largest bank in the U.S., comes only a week after the bank disclosed that Mr. Harvey Kapnick, former chairman of Arthur Andersen, the accountants, was joining the bank as chief operating officer.

That appointment effectively limited the power of Mr. Richard Thomas, the company president, since Mr. Kapnick was seen as moving into the *number two position.*

The moves followed the announcement that First Chicago had for the second consecutive quarter suffered the worst earning performance of any of the top 10 U.S. banks. The company had reported a 50 per cent decline in its fourth quarter earnings.

Yesterday, in a letter to Mr. Yeo, who was chairman of the bank's asset and liability committee and therefore an *influential voice on interest* rate policy, Mr. Abboud complimented him on his work on interest rates. But Mr. Abboud added: "Admittedly we were squeezed in the fourth quarter, particularly in the arbitrage book which went negative, but such is the nature of trading position, as anyone who knows the business fully understands."

The changes are undoubtedly related to the bank's poor *performance in recent years.* Its 1979 net income of $2.91 a share was just above 1975's $2.67 a share. Other major banks have reported strong earnings gains over the same period.

Mr. Yeo is to become senior financial adviser to Mayor Jane Byrne of Chicago. That city has been suffering from some of the financial problems facing other industrial cities in the U.S. Mr. Yeo has the reputation of having a shrewd financial mind and his appointment will be seen as further evidence of Chicago's efforts to tackle its problems.

ITT forecasts lower income

NEW YORK — International Telephone and Telegraph expects to report 1979 earnings of about $2.65 a share compared with $4.66 a share in 1978 due to a previously announced one-time special charge. Excluding the special charge ITT's earnings per share would have been 7 per cent above 1978.

Worldwide sales and revenues for 1979 including insurance and *finance revenues are estimated* to reach a record $21.8bn. AP-DJ

Sharp profits recovery on year at Alton Box Board

BY OUR FINANCIAL STAFF

ALTON BOX BOARD, the U.S. paper and packaging company which is part of the Jefferson Smurfit group of Ireland, reports a sharp recovery in profits for 1979.

Despite an "extended shutdown" at one of its plants, Alton Box has managed to stay in the black during the final quarter of 1979 and emerge with an overall profit of $3.2m before tax and extraordinary items, against $654,000 in 1978.

Sales last year rose by 16 per cent to $301.4m with this rate of growth maintained right up to the end of the year. Net income per share after extraordinary items for the year was $1.60, compared to a loss of 69 cents in 1978.

Alton Box's loss of capacity last year centred on a $15m capital improvement project at its plant in Jacksonville, *Florida. The project was com*pleted on schedule and within budget, and the plant is now back in operation.

The Dublin-based Jefferson Smurfit group first took a shareholding in Alton Box at the beginning of 1979 since when it has lifted its stake to 51 per cent in a deal which valued the whole of Alton Box at around $50m. The Irish group is obliged to make an offer for the minority within the next three years.

The consolidation of these U.S. results come at a time of mixed fortune for the Jefferson Smurfit group whose profits for the first half of this year were barely changed at Irish £8.6m ($18.4m) before tax, up 3½ per cent.

Heavy losses in Nigeria held the group back in the six months, which ended July 1979. However, Jefferson Smurfit declared that it "would be disappointed" if its results for the whole of 1979-80 did not emerge with a respectable advance.

Toronto exchange raises margin rate

The Toronto Stock Exchange said that it is raising the margin rate applicable to listed securities trading at C$2 and over to 60 per cent from 50 per cent effective from yesterday and until further notice, Reuter reports from Toronto.

Members must bring all accounts into compliance with these requirements by February 15, the exchange said.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on January 23

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alcoa of Australia 10 89	60	88⅞	89⅛	+0⅛	-1⅛	12.09
Alex Howden XW 9½ 91	30	75	77	+0⅛	0	13.77
Aquitaine Can. 11¼ 95	30	94½	95	-0¼	-2	12.73
Australian Res. 9¾ 84	30	90⅝	91¼	+0¼	-0⅛	12.25
Avco O/S Cap. 10½ 87	40	80¾	81¼	-0¼	-1¼	14.61
Beneficial Fin. 9¼ 87	100	87¼	87¾	0	-2⅛	12.38
CECA Grad. Rate 12 86	100	95⅞	96⅝	+0⅛	-0⅛	12.92
CECA 9¾ 89	125	79	79¾	0	-1	13.03
Canadian Pacific 9¾ 89	50	86⅞	87⅜	+0⅛	-2⅛	12.13
Carter Hawley 9¾ 86	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Comalco Inv. E 10⅝ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Continental Grp. 9⅝ 86	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Dome Petroleum 10 84	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Dominion Bridge 10½ 84	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Average price changes... On day 0 on week -1⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Avco Fin. 10½ 88 C$	25	87⅛	88⅛	+0⅛	0	13.06
Bell Canada 10¾ 86 C$	60	92	92½	-0⅛	-0⅛	12.50
Cr. Foncier 10¼ 84 C$	30	90⅛	90⅝	0	-0⅛	13.20
Ex. Dev. Cpn. 10 84 C$	50	91⅝	92⅛	-0⅛	-0⅛	12.43
Fst. Can. Inv. 10 84 C$	50	90⅛	90⅝	-0⅛	-0⅛	12.93
Hudson Bay 10½ 89 C$	50	88⅞	89⅛	-0⅛	-1	12.53
Quebec 10½ 86 C$	50	90⅝	91⅛	-0⅛	-0⅛	12.45
R. Bk. Canada 10 86 C$	40	91⅛	91⅝	-0⅛	-0⅛	12.00
R. Bk. Canada 10 84 C$	40	84½	85	-0⅛	-0⅛	12.30
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Average price changes... On day 0 on week -2⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
LPC Internatnl. 8 89	8/79	36	108½	109⅛	-0⅛	4.40
Meidensha Elec. 7 84	12/79	210	91⅛	92½	0	14.98
Mitsubishi Cp. 6½ 94	10/79	604	127	128¼	+4⅞	7.89
Nippon Seiko 7¾ 84	12/79	339	93⅞	94⅞	+0⅛	5.63
Nitto Elec. Ind. 8 84	7/79	735	78	79⅛	-0⅛	10.81
Toshiba Cpn. 7¾ 94	10/79	189	95⅜	96⅜	+0⅛	2.98
Union Bk. Switz. 5 89	2/80	125	111	112¼	+0⅛	4.91
Fujitsu 5 84 DM	7/79	475	99⅛	99⅝	0	18.70
Kansai Elec. 4 84 DM	4/79	1234	85½	86½	+0⅛	49.58
Tokyu Ld. Cp. 4 89 DM	4/79	493	77⅜	78⅜	+0⅛	43.40
Uny Co. 6½ 85 DM	11/79	1071	94⅛	95⅜	-1⅛	13.26

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in *currency of share at conversion rate fixed at issue.* Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

U.S. QUARTERLIES

ALCAN ALUMINIUM	1979 $	1978 $
Fourth quarter		
Revenue	1.12bn	1.02bn
Net profits	117.5m	87.6m
Net per share	2.91	2.16
Year		
Revenue	4.38bn	3.71bn
Net profits	427.5m	297m
Net per share	10.57	7.34

ARO CORPORATION	1979 $	1978 $
Fourth quarter		
Revenue	23.5m	20.7m
Net profits	3.25m	3.20m
Net per share	1.49	1.44
Year		
Revenue	87.3m	66.0m
Net profits	8.90m	5.62m
Net per share	3.98	2.53

CERTAINTEED	1979 $	1978 $
Fourth quarter		
Revenue	230.6m	214.6m
Net profits	8.35m	12.38m
Net per share	0.52	0.78
Year		
Revenue	916.2m	895.4m
Net profits	23.54m	54.43m
Net per share	1.39	3.49

CONSOLIDATED FOODS	1979 $	1978 $
Second quarter		
Revenue	1.4bn	1.1bn
Net profits	29.54m	25.63m
Net per share	0.95	0.83
Six months		
Revenue	2.7bn	2.2bn
Net profits	51.00m	52.99m
Net per share	1.87	1.71

COPPERWELD CORPORATION	1979 $	1978 $
Fourth quarter		
Revenue	115.6m	106.8m
Net profits	4.86m	5.31m
Net per share	0.85	0.94
Year		
Revenue	493.5m	419.5m
Net profits	23.08m	11.28m
Net per share	4.04	2.00

DOVER CORPORATION	1979 $	1978 $
Fourth quarter		
Revenue	189.4m	138.6m
Net profits	16.09m	13.60m
Net per share	0.90	0.76
Year		
Revenue	666.9m	525.9m
Net profits	57.07m	44.82m
Net per share	3.20	2.51

DUKE POWER	1979 $	1978 $
Revenue	386.1m	353.3m
Net profits	88.53m	80.92m
Net per share	0.71	0.67
Year		
Revenue	1.5bn	1.4bn
Net profits	274.76m	230.6m
Net per share	2.88	2.61

INGERSOLL-RAND	1979 $	1978 $
Fourth quarter		
Revenue	704.0m	642.6m
Net profits	43.4m	37.26m
Net per share	2.09	1.79
Year		
Revenue	2.54bn	2.33bn
Net profits	149.34m	133.12m
Net per share	7.20	6.41

MARTIN MARIETTA	1979 $	1978 $
Fourth quarter		
Revenue	569.4m	507.2m
Net profits	37.30m	36.63m
Net per share	1.50	1.44
Year		
Revenue	2.06bn	1.76bn
Net profits	178.0m	135.0m
Net per share	7.10	5.54

MISSOURI PACIFIC	1979 $	1978 $
Fourth quarter		
Revenue	560.3m	443.6m
Net profits	51.92m	38.86m
Net per share	3.38	2.61
Year		
Revenue	1.98bn	1.65bn
Net profits	180.16m	130.99m
Net per share	11.89	9.13

ROLLINS	$ 1979	$ 1978
Second quarter		
Revenue	95.3m	82.4m
Net profits	7.55m	6.09m
Net per share	0.56	0.45
Six months		
Revenue	187.1m	163.7m
Net profits	14.01m	11.71m
Net per share	1.04	0.87

SMITHKLINE	1979 $	1978 $
Fourth quarter		
Revenue	372.3m	314.2m
Net profits	61.9m	47.1m
Net per share	1.01	0.77
Year		
Revenue	1.35bn	1.11bn
Net profits	233.9m	184.1m
Net per share	3.85	2.72

S'THERN CALIF. EDISON	1979 $	1978 $
Fourth quarter		
Revenue	708.3m	[illegible]
Net profits	77.67m	73.15m
Net per share	1.18	[illegible]
Year		
Revenue	2.56bn	[illegible]
Net profits	292.48m	[illegible]
Net per share	4.66	[illegible]

TELEDYNE	1979 $	1978 $
Fourth quarter		
Revenue	697.3m	[illegible]
Net profits	91.7m	[illegible]
Net per share	6.81	[illegible]
Year		
Revenue	2.71bn	2.44bn
Net profits	372m	248.5m
Net per share	27.58	[illegible]

UNION CAMP	1979 $	1978 $
Fourth quarter		
Revenue	329.1m	[illegible]
Net profits	35.8m	[illegible]
Net per share	1.47	[illegible]
Year		
Revenue	1.39bn	[illegible]
Net profits	151.2m	[illegible]
Net per share	6.22	[illegible]

Arab fund seeks guarantee against seizure of deposits

BY JAMES BUXTON

ARAB INVESTMENTS and deposits in western countries should be guaranteed against sequestration and freezing by an international agreement in the view of the Arab Monetary Fund, a pan-Arab organisation which functions on the lines of the International Monetary Fund.

Dr. Jawad Hashim, the AMF's president, said yesterday that the U.S. Government's freezing of Iranian assets last November was a severe blow to international financial confidence and stability. He added that the AMF plans to hold a symposium of financial, economic and financial legal experts, both Arab and non-Arab, to study the problem.

The Abu Dhabi-based AMF is gradually building to a paid-up capital of $1bn, but the amount of paid-up capital which is not lent out to member countries amounts to about $350m.

The Fund does not have assets in the U.S., but it is believed to have about $150m-worth of assets in U.S. banks in Britain, the Bahamas, West Germany and Singapore.

But the AMF's statement is of more significance because of the enormous accumulated financial assets of the Arab OPEC countries, which may amount to nearly $200bn, much of which is placed in U.S. banks in America and abroad.

"The attitude of some American banks has shaken the confidence and trust placed in them, particularly as regards the future," Dr. Hashim said. "These banks have revealed that they could act as instruments for the implementation of measures, such as freezing of deposits, taken for reasons totally unrelated to the economic and financial considerations which alone should guide them."

The freezing of foreign balances by branches of U.S. banks in Europe "has severely weakened confidence in these banks, as they proved to be capable of violating the sovereignty and laws of European countries on European territories."

The AMF said that it is looking for financial and legal means to reduce or eliminate the possibility of Arab funds being affected by such measures. The proposed symposium will do this, according to Dr. Hashim.

Without anticipating the results of the symposium, said Dr. Hashim, "We feel it is necessary to conclude an international agreement by which the advanced countries would guarantee Arab funds deposited or invested in their territories against acts of freezing or sequestration, as well as securing the free transfer of these investments and their yields to the countries that own them."

Such an international agreement could be a major factor in the restoration of stability in international financial markets and in enhancing confidence in U.S. and non-American banks, he said.

COMMERCIAL AND FINANCIAL RANDS

Long-term considerations preclude merger

BY JIM JONES IN JOHANNESBURG

SPURRED by a flood of gold share purchases, particularly from New York, South Africa's investment currency, the financial Rand, soared last week from 93.5 cents to a high at one stage of 115 cents (U.S. currency). By the weekend, the quote was a more sedate 107 cents, but even that was a mere 12 per cent below the commercial Rand's $1.22 quotation, and was a sufficiently narrow margin for investors to ask whether a merger of the investment and commercial currencies was around the corner.

A quick answer to that is that it is highly unlikely, especially as the financial Rand has since relapsed to just below 100 cents. Despite the swollen foreign exchange coffers and a balance of payments which remains solidly in the black, even after gold's drop from the mid-800s to the current levels, the South African Reserve Bank has been aware all along that the gold price could tumble even further as quickly as it rose. And at this stage of the economic cycle, the authorities in Pretoria are unlikely to do anything to lessen the country's attractions to foreign investors, or set about dismantling the exchange controls implicit in a merging of the investment and commercial currencies.

Most likely, in view of the economy's strength and the fact that at $1.22 the commercial Rand is effectively undervalued, is a revaluation of the commercial Rand to, possibly, $1.25 coupled with a selective relaxation of import surcharges.

The De Kock commission's proposals on exchange rate policies last January envisaged an eventual merger of the financial and commercial Rands, but given the strength of South Africa's economy, an early move by the authorities seems unlikely

At the start of 1979 when use of the financial Rand was restricted to stock exchange investment, the investment currency was trading in the 65 cents (U.S. currency) range. Acceptance by government of the De Kock Commission's proposals on exchange rate policies last January changed the picture. Use of the Financial Rand was liberalised to include direct investment.

This resulted in a major inflow of foreign investment funds, particularly for automobile plants, which helped boost the financial Rand to the 95 cents trading by early-June. At that level it stood at an approximate 20 per cent discount to the commercial Rand. In addition, De Kock envisaged an eventual merger of the financial and commercial Rands.

For investors in fixed plant, who are allowed to remit profits out of South Africa at the commercial Rand rate, 20 per cent was an attractive financial Rand discount. To all intents and purposes, the financial Rand traded in the 90 cents (U.S.) range until September, supported by fund inflows for fixed investment. In October, as fund flows slowed down, the financial Rand declined steadily to trade in the 80 cents (U.S.) range by the start of November.

Since then, the financial Rand market has been dominated by foreign equity investors and, to an increasing extent, currency speculators who have been heavy traders in the financial Rand as a unit in its own right.

According to the Standard Bank, currency dealers who bought the financial rand at around 90 cents in November sold relatively heavily just ahead of 100 cents in December. They rebought when the price moved through 100 cents, but were sellers again in last week's uncharted territory. Their selling has assisted the investment currency's downturn and reflects growing wariness of a general crack in gold share prices accompanying a possible gold price reversal.

Meanwhile, the financial rand's narrowing discount to the commercial rand effectively resulted in a drying up of funds inflows for fixed investment. A discount in the 10 per cent to 12 per cent region appears to be too narrow to compensate for perceived political risks inherent in South African fixed asset investment.

Even if gold falls further from its current levels, South Africa's foreign exchange reserves are likely to remain high, while there are little or no structural reasons for the country's balance of payments to run into deficit nor the commercial rand rate to come under pressure. With this week's gold price decline, foreign investment in gold shares has suffered a sharp reversal, reflected in a smart financial rand rate decline. If gold stabilises and if the discount widens again to the 20 per cent level, expectations are that fixed asset investors will return in some force.

Tempting them to invest through a low financial rand with the possibility of remitting earnings overseas at a relatively high commercial rand rate is basic to reserve bank thinking. So though there are probably good near-term reasons for merging the commercial and investment currencies, they appear to be outweighed by longer-term considerations.

Additional state funds for ENI

BY PAUL BETTS IN ROME

THE ITALIAN Government agreed yesterday to advance some L160bn ($198m) of fresh funds over the next three years to Ente Nazionale Idrocarburi (ENI), the State hydrocarbons group, for the recovery of the synthetic fibres plant of Ottana in Sardinia.

The Cabinet's decision clears the way for the long overdue rescue of the polyester and acrilic complex of Ottana, which forms part of a broader recovery programme for the country's troubled textile and fibres industry at large.

ENI's chemical subsidiary, Anic, is now to take over full control of the Ottana complex, which until now has been jointly controlled by Anic and Montefibre, the textile and synthetic fibres subsidiary of the mixed State-private Montedison chemicals conglomerate.

The L160bn injection of fresh funds to ENI will enable its chemicals subsidiary, Anic, to start on the recovery and reconversion programme of the Ottana complex, which currently loses some L60bn a year.

The Ottana complex, grouped in the Chimica e Fibre del Tirso company, was originally conceived as one of the main industrial projects for the industrial transformation of the depressed island of Sardinia.

But it was also one of the fruits of the so-called "Italian chemical war" of the late 1960s and early 1970s between the country's various chemical groups which led to a series of questionable ventures.

The Government's decision yesterday coincides with a number of major moves to reconstruct and rationalise the country's troubled fibres sector.

These include a proposed L200bn recapitalisation of Montefibre and a L80bn capital injection for SIR, Italy's third largest chemical group whose financial recovery is to be undertaken by a consortium of leading Italian credit institutes.

* * *

STATE industry holding company IRI is asking for L10,000bn ($12.4bn) of government money. The funds will be added to IRI's endowment fund, which ended 1978 at L3,600bn, and will cover the period 1979 to 1982.

In a plan submitted to a Parliamentary Commission, IRI said it plans investments of L21,000bn in the period 1979 to 1983, creating 10,000 new jobs by 1983 including 3,000 in the South of Italy.

IRI made losses of nearly Lire 2,500bn in the last three years and is burdened by heavy debt and insufficient state funding, Senator Gian Pietro Rossi said when presenting IRI's proposals to parliament.

Mitsui Bank given loan ultimatum

TOKYO — The Japanese Ministry of Finance has told Mitsui Bank that it most strictly observe the guidelines for lendings to single borrowers laid down by the Ministry and reduce its lendings to Mitsui and Company by Y66.8bn ($278m) by the end of March.

In December, 1974, the Ministry issued guidelines that each city bank should restrict its lendings to any single large borrower to 20 per cent of its share capital and reserves combined by the end of March 1980.

At the end of September, 1979, Mitsui Bank had excess lendings totalling Y66.8bn to Mitsui and Company, which the bank is now required to eliminate by the deadline.

Mitsui Bank said yesterday that it has been requesting an extension of the deadline beyond March, 1980, because it is difficult to reduce its lendings to Mitsui and Company without losing its position as the main bank for the trading group.

The Ministry said that it was unable to comply with Mitsui Bank's request because a period of five years was provided to eliminate excessive lending over and above the guideline. Many other banks have already reduced their lendings to single borrowers below the guidelines, the Ministry said.

Mitsubishi Bank has reached an agreement with Mitsubishi Corporation for the latter to repay its excessive borrowings from the bank. These total Y42.1bn, and are to be repaid by next March to observe the guidelines.

Mitsubishi Corporation has also agreed to repay part of its borrowings from Bank of Tokyo and Dai-Ichi Kangyo Bank to help Mitsubishi Bank to remain the leading lender to the trading house. Several other city banks have similar problems, but the amounts involved are much smaller.

The position of three long-term banks, seven trust banks, and one bank specialising in foreign exchange is believed to be better, because the limit is 30 per cent of the bank's share capital and reserves for the first two groups and 40 per cent for the bank in the last group, which is the Bank of Tokyo.

● Net income of Mitsubishi Corporation, Japan's largest general trading company, rose to record levels over the first half-year ended on September 30, 1979. Consolidated net income rose from Y11.09bn to Y20.78bn ($87m), on the back of a 26 per cent rise in sales to Y560bn ($2.3bn). Earnings per share came out at Y21.78, up from last time's Y11.99.

Mitsubishi said yesterday that the increase in sales was due to a sharp rise in the market price of crude oil and other raw materials, as well as the appreciation of the dollar against the yen. The rise also reflected a general improvement in economic conditions in Japan.

The company expects consolidated net income for the full year to increase by some 50 per cent to Y35.55bn on sales of Y11,500bn compared with Y9,280bn.

The main contributors to the record level of net income were a 21.6 per cent increase in gross trading profit to Y139.69bn and a Y6.24bn reduction in the provision for doubtful receivables to Y9.87bn, due to a further improvement in the economic position of Mitsubishi's major customers. Reuter

AWA wins control of Queensland Television

BY JOHN ROGERS IN SYDNEY

AMALGAMATED WIRELESS (Australasia) (AWA) has won the bidding for control of Brisbane's top television company, Queensland Television (QTL), with a A$23m (US$31m) offer. Acting under the Queensland Government's recently-enacted takeover legislation, AWA has agreed to stand in the share market for one month from February 6 and to accept all shares offered at its bidding price of A$4.75.

Soon after announcing its intentions yesterday morning, AWA revealed that it had bought 3.6m shares, or 59 per cent of QTL, for A$17m.

QTL until recently was a 59 per cent-owned subsidiary of the Sydney-based media group John Fairfax. The situation changed late last year when Fairfax decided to help defend Melbourne's Herald and Weekly Times (HWT) group against an unwanted takeover from Mr. Rupert Murdoch's News Corporation. This resulted in its shareholding in HWT being increased to just under 15 per cent which put Fairfax in breach of the Broadcasting and Television Act by holding interests in more than the prescribed two TV stations (HWT owns its own network).

John Fairfax then "sold" two of its stations, one in Canberra and the other, QTQ 9, in Brisbane to a group of solicitors which act for the company. The solicitors were then instructed to enter into negotiations to sell the stations subject to the approval of the Fairfax board. Stock exchange permission was granted for this exercise as long as the interests of minority shareholders were taken into account.

Yesterday's move from AWA signalled that the large electronics group had been the successful "tenderer" for the eagerly-sought after Brisbane TV operator, which has consistently topped the ratings over the past few years.

Bank sale breakthrough by Corporacion Bancaria

BY ROBERT GRAHAM IN MADRID

THE SPANISH banking authorities have achieved a breakthrough in their efforts to sell banks that have been absorbed into the Corporacion Bancaria, the institution created in March, 1978, to prevent a loss of confidence in the banking system.

Agreement has been reached with Banco De Vizcaya, one of Spain's big five banks, to buy 65 per cent of Banco de Credito Commercial. This shareholding was held by the Banco de Granada and, when the latter was absorbed by the Corporacion Bancaria last January, Banco de Credito Commercial also became part of the "bank hospital."

Coporacion Bancaria has for some time been trying to restructure the five banking concerns under its control with a view to selling them. Banco de Vizcaya is reported to have offered $19.6m for the 65 per cent stake.

Banco de Vizcaya has capital and reserves of Pesetas 1.05bn ($15m) and 15 branches centred on Madrid.

Corporacion Bancaria officials said yesterday that they were pleased with the sale. There was, however, no immediate prospect of more substantial operations covering the other banks under their conrol.

Some banks have now been in the "hospital" for almost two years. It is questionable whether the authorities will be able to achieve their aim of eventually winding up the Corporacion Bancaria, with all the banks sold.

Everite profit more than doubled in first half

BY JIM JONES IN JOHANNESBURG

EVERITE, the South African asbestos cement manufacturer and asbestos miner, which is 45 per cent owned by the Eternit group of Switzerland, has announced a 35.9 per cent turnover advance to R49.2m ($60m) and a 114.3 per cent attributable taxed profit advance to R4.27m ($5.2m) for the six months to December 31 1979. For the year to June 30, 1979, turnover was R80.4m and attributable profit was R5.19m.

The directors say the sales improvement was mainly attributable to increased building industry activity. Though they feel that prospects are good for continued high demand, they warn that the same rate of profit increase may not be maintained during the second half.

However, Johannesburg analysts feel that any profit slow-down will not be significant. Private sector building plans passed are significantly up on levels of a year ago while Everite's fibre cement products division has yet to reach full capacity operations. Market conditions for asbestos fibre remain poor, however, and asbestos mining operations are expected to suffer a fall in profit.

On first half earnings per share of 26 cents, against 12.3 cents, a 7.5 cents interim dividend has been declared compared with 5.5 cents. In the year to June 30 1979, earnings per share were 31.9 cents and dividends totalling 16.5 cents were paid.

VONTOBEL EUROBOND INDICES
14.5.76=100%

PRICE INDEX	15.1.80	22.1.80	AVERAGE YIELD	15.1.80	22.1.80
DM Bonds	97.40	96.59	DM Bonds	7.888	8.014
HFL Bonds & Notes	93.95	92.81	HFL Bonds & Notes	9.534	9.583
U.S. $ Strt. Bonds	88.63	87.70	U.S. $ Strt. Bonds	11.151	11.335
Can. Dollar Bonds	82.53	81.63	Can. Dollar Bonds	11.981	12.054

WORLD STOCK MARKETS

Early modest Wall St. rise

DEFENCE AND Precious Metal issues showed renewed firmness on Wall Street yesterday morning after Tuesday's downturn, helping the stock market to record a modest gain at mid-session following active dealings.

The Dow Jones Industrial Average hardened 1.11 to 867.32 at 1 pm, while the NYSE All Common Index put on 26 cents to $64.39 and gains led declines by a four-to-three ratio. Volume was a sizeable 30.53m shares, but well below Tuesday's 1 pm figure of 39.19m.

A recovery in Gold Bullion following Tuesday's setback prompted Gold, Silver and Copper shares to rally yesterday morning.

The Defence Group rose on expectations that President Carter would outline a tougher defence posture in his State of the Union message, due last night, in response to the Soviet action in Afghanistan.

Volume leader Benguet rose 1¼ to $11¼, ASA 1¾ to $47¾, Dome Mines 1¼ to $56, Hecla Mining 2¾ to $42½, Sunshine Mining ¾ to $34, Asarco 1¾ to $47½ and Kennecott Copper ¾ to $39½.

In the Defence group, United Technologies gained 1¼ to $50¼, Litton Industries 1¼ to $52, Raytheon 1¾ to $78, General Dynamics ¾ to $74½ and Teledyne ¾ to $142¾.

Amstar advanced 1¼ to $23 as spot sugar prices moved to a recent high of 20 cents a pound.

Control Data fell 1¾ to $55 after stating that lower profits in its computer operations depressed its overall fourth-quarter results.

Prime Computer's December quarter results were more than doubled and it rose 1¼ to $24¾. Ingersoll-Rand, on higher fourth-quarter profits, added 1¼ to $57⅞.

Minnesota Mining gained $1 to $48 after announcing improved fourth-quarter earnings.

THE AMERICAN SE Market Value Index picked up 0.85 to 261.85 at 1 pm. Volume 5.77m shares (6.75m).

Closing prices for North America were not available for this edition.

Canada

Shares generally relinquished further ground in another active early trade. The Toronto Composite index was 13.7 lower at 1,807.0 at midday, while Oil and Gas declined 29.9 to 3,828.6 and Metals and Minerals 14.3 to 1,984.9, but Golds improved 27.3 to 2,822.7.

Tokyo

After moving ahead in early trading, the market tended to retreat on profit-taking to record irregular movements on balance. Trading remained very active, with turnover amounting to 680m shares, against Tuesday's 600m.

Shortly before the close, Constructions, Coals and Paper and Pulp Manufacturers were actively sold, but Trading Houses and some Machine Tool issues finished sharply higher. Recently buoyant Non-ferrous Metal shares fluctuated widely in the wake of the marked setback in overseas precious metal prices, before closing on a mixed note.

The Nikkei-Dow Jones Average was still 9.60 firmer on the day at a closing record peak of 6,694.19, and the Tokyo S.E. index gained 1.16 to 465.21, but falls on the First Market section finally exceeded advances by 324 to 311.

Among Trading Houses, Mitsui rose Y38 to Y370, Mitsubishi Y23 to Y778 and Marubeni Y15 to Y400.

In the Machine Tool sector, Toshiba Machine advanced Y17 to Y435, Hitachi Seiki Y35 to Y415 and Ikegai Iron Y26 to Y314.

In the Non-ferrous Metal group, Dowa Mining added Y35 at Y639 and Nippon Mining Y23 at Y347, but Mitsubishi Metal lost Y13 to Y207 and Toho Zinc Y11 to Y175.

Hong Kong

After the recent advance shares generally declined yesterday in fairly active dealings as operators took profits in order to cover positions in the weakening gold market. The Hang Seng index, after climbing 30 points over the past two days, receded 6.35 to 878.56.

Dealers noted, however, that the stock market was holding up well in the circumstances, and pointed to Bank shares in particular ahead of an expected season of good results after the Chinese New Year next month.

Hong Kong Land shed 20 cents to HK$14.10, Hong Kong Wharf HK$3.00 to HK$71.50, and Jardine Matheson 20 cents to HK$15.90.

Hongkong Bank eased 10 cents to HK$19.80, although Hang Seng Bank were unchanged at HK$131.

Against the trend, Tai Cheung gained 7½ cents to HK$3.375 on speculation that the Chan family may sell its 40 per cent holding in the company.

Germany

The market extended Tuesday's rally in another fair business, although gains were not so widespread. An improvement in the Bond market aided sentiment. The Commerzbank index picked up 4.4 more to 699.1.

Engineerings fared the best as a sector, with MAN advancing DM 4.50, KHD DM 3 and Linde DM 2.20.

Among Weapon-related issues, Krauss-Maffei continued to climb, rising DM 170 to DM 1,400, while Rheinmetall added DM 5 at DM 303. Electricals concern AEG rallied DM 1.90 to DM 40, with some observers believing the gain to be connected with the fact that it supplies several weapons systems with electronic equipment.

Mercedes put on DM 2.90 in Motors, while elsewhere, Hapag Lloyd moved ahead DM 5.50 to DM 75.50.

Public Authority Bonds registered gains extending to 70 pfennigs, while Mark Foreign Loans rose slightly.

Australia

The overnight drop in Gold Bullion prices and instability in major commodities left the Mining and Oil sectors sharply lower over a broad front. On the Industrial posts, those with resources interests were also hard hit but the rest were relatively unscathed.

The Sydney All Ordinaries index, down 12 points on Tuesday on profit-taking after Monday's record high, relinquished 16.73 more to close at 809.29, while the Metals and Minerals index retreated a further 207.73 to 5,201.81.

Late bargain hunting left some issues above the day's worst, MIM ending a net 22 cents down at A$5.56, after touching A$5.40.

Elsewhere in Minings, Bougainville Copper lost 35 cents to A$3.05, Consolidated Gold Fields 50 cents to A$6.20, Hill 50 Gold 8 cents to 45 cents and Poseidon 30 cents to A$2.60. Wattle Gully receded 15 cents to 55 cents, BH South 35 cents to A$4.85 and Peko-Wallsend 20 cents to A$8.40.

The high-flying Rundle oil shale partners were also heavy casualties, Central Pacific Petroleum retreating A$6 to A$44. Among other Oils, Hartogen fell 30 cents to A$3.00 and Vamgas 20 cents to A$3.00.

Market leader BHP weakened 35 cents to A$12.55 and CSR were down 20 cents at A$5.20.

Paris

Bourse prices, after Tuesday's improvement, were mixed to easier yesterday, with the overnight downturn on Wall Street sapping sentiment.

Banks, Portfolios, Rubbers, Hotels, Electricals, Metals, Chemicals and Utilities were mainly easier, but Foods, Constructions, Mechanicals, Oils and Publishing issues met support.

Esso declined to 4 per cent after denying market rumours that it intends to make a free share issue.

In Constructions, Bouygues advanced FFr11 to FFr657 in further response to forecast higher 1979 profits.

Johannesburg

Further influenced by movements in international bullion prices, Gold shares lost fresh ground but closed above the day's worst.

FS Geduld shed R1.50 to R52.50 and President Brand R1.00 to R37.00, but Harties picked up R1.25 to R55.00.

Mining Financials were mixed with an easier bias. Platinums weakened, while Industrials generally declined.

NEW YORK

CANADA

Stock	Jan. 22	Jan. 21
Abitibi	20¾	51½
Agnico Eagle	11¾	15¼
Alcan Alumn.	63	64⅛
Algoma Steel	35	35¼
Asbestos	33¾	36¾
Bk Montreal	25⅞	56⅛

BELGIUM (continued)

Jan. 23	Price Frs.	+ or —
Petrofina	5,620	—70
Royale Belge	5,360	—10
Soc Gen Band	2,775	—25
Soc Gen Belge	1,630	—25
Sofina	5,255	+50
Solvay	6,820	+60
Traction Elect.	3,505	+95

HOLLAND

Jan. 23	Price Fls.	+ or —
ACF Holding	79.4	—0.4
Ahold	82.2	+0.2
AKZO	95.2	—0.3
ABH	288.5	—1.5
AMEV	89	+0.2
AMRO	51.5	—0.5

AUSTRALIA

Jan. 23	Price Aust. $	+ or —
ANZ Group	6.55	—0.12
Acrow Aust	1.03	+0.03
Alliance Expl.	1.00	—0.22
Ampol Pet.	1.28	—0.02
Aust. Pulp Pap.	2.35	+0.05
Audimco	0.28	......
Aust Cons Ind.	5.56	—0.02

JAPAN (continued)

Jan. 23	Price Yen	+ or —
Makita	1,130	—20
Marubeni	400	+15
Marudai	620	—15
Marui	780	—5
Matsushita	665	—1
M'ta Elec Works	650	—8
M'bishi Bank	415	—3

DENMARK

FRANCE

GERMANY

ITALY

NORWAY

SWEDEN

SWITZERLAND

SPAIN

AUSTRIA

BELGIUM/LUXEMBOURG

HONG KONG

SINGAPORE

SOUTH AFRICA

BRAZIL

Indices

NEW YORK — DOW JONES

STANDARD AND POORS

N.Y.S.E. ALL COMMON

MONTREAL

TORONTO Composite

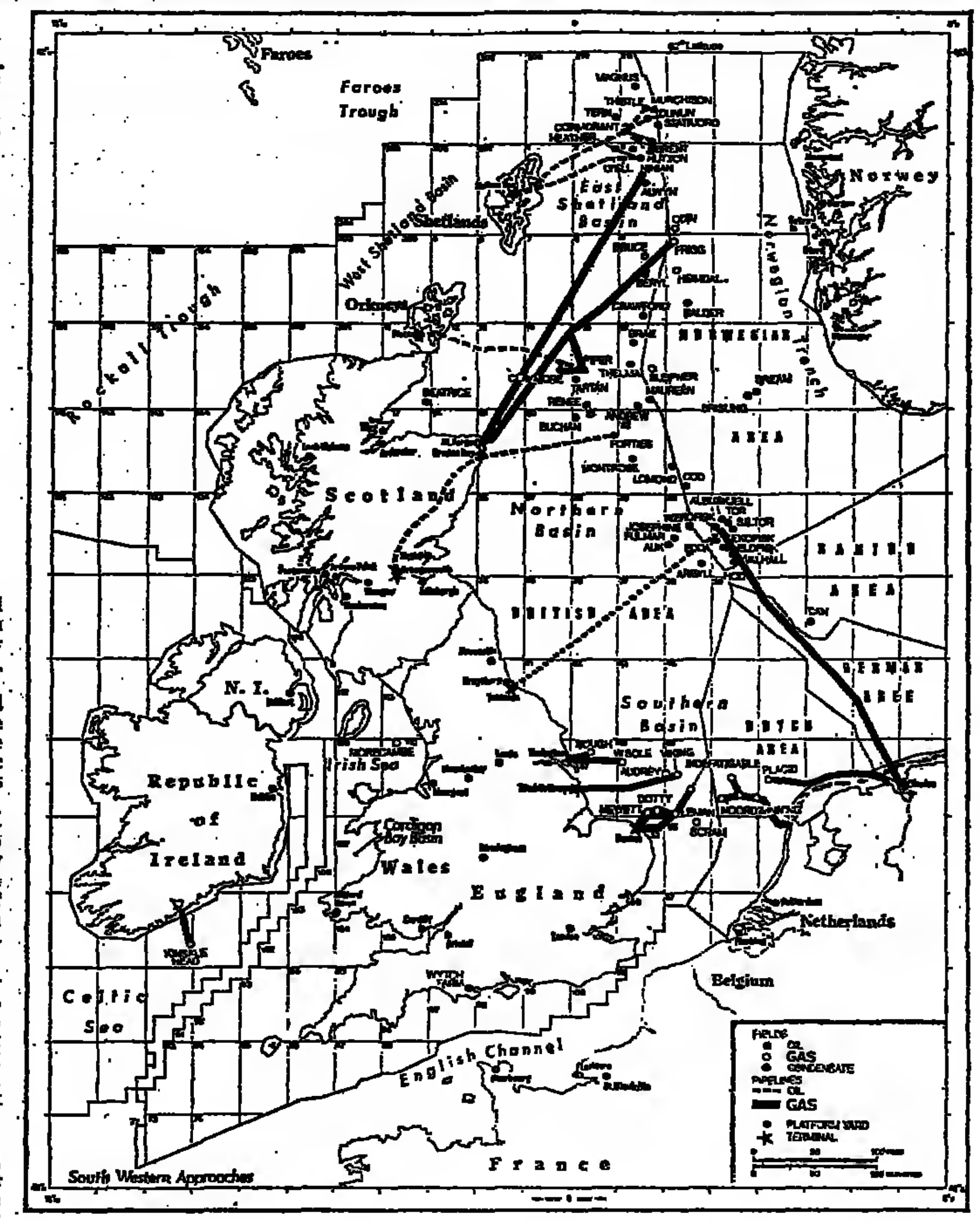
NEW YORK ACTIVE STOCKS

FINANCIAL TIMES SURVEY

Thursday January 24 1980

THE GAS INDUSTRY

In 12 years, the gas industry has changed its role from manufacturer to distributor as town gas has been replaced by supplies from the North Sea. Although UK reserves are adequate British Gas has more potential customers than it can serve.



Progress is taken for granted

By Ray Dafter, Energy Editor

NATURAL GAS is one of the most important fuels in the world's energy mix. In non-communist countries gas accounts for around 18.4 per cent of primary energy consumption. In the UK the gas industry has been revolutionised in the past 12 years or so. The whole operation has been revamped as North Sea gas has swept aside the need for manufacturing "town gas" out of coal or oil. In consequence, the natural gas share of the UK primary fuels sector has grown from just 1.5 per cent in 1968 to over 19 per cent.

Worldwide proven reserves of natural gas now stand at over 2,500 trillion cubic feet, equivalent to over 450bn barrels of crude oil. On this basis there is enough gas already found and proven to meet current consumption levels for about 50 years.

Indeed, world gas supplies are in a far healthier state than those of the oil industry. Provan crude oil reserves are sufficient to meet demand for only 29 years or so, assuming that no more oil is found in the meantime (an unfounded assumption but one always used in the calculation of reserves to production ratios).

Natural gas has a high energy content. It is clean, relatively easy to transport and highly controllable when in use. It is regarded within the energy industry as a premium fuel.

Yet in spite of all this, gas is often overlooked when world energy balances and problems are discussed. The uncertainties and rising prices of crude oil can be recited in almost every home—the activities of the Organisation of Petroleum Exporting Countries has seen to that. It is not so readily perceived that gas prices are being increasingly linked to those of crude oil and that OPEC has been looking at ways of taking natural gas into its deliberations. It should not be overlooked that the Middle East holds the second largest reserves of gas (after the Soviet Uninn)—almost 30 per cent of the world's total.

Natural gas has not attracted the public scrutiny that has become commonplace within the nnclear industry, although some concern has been expressed about the safety of liquefied natural gas operations.

The coal industry rides on a wave of public optimism. It is seen as an industry being reborn, modernised and revitalised. The gas industry, which has undergone an equally impressive modernisation programme, has had much less public recognition.

In short, the gas indostry is taken for granted. The 10-year conversion programme, made necessary by the change from town gas to natural gas, has almost been forgotten although it was one of the most complex projects of its kind in the world. More significantly, the impact of North Sea development, both on the economy and on the construction and supply industries, have been overshadowed by the oil exploration and production activity.

This year the production and use of North Sea gas should amount to the equivalent, in energy terms, of around 1m barrels a day of oil—crude oil worth over $10bn a year at current prices. Tha impact of this gas availability on the UK economy, particularly the balance of payments, has again been largely overlooked. It is a salutory thought for those now devising ways of spending future North Sea oil revenues.

Secure

It is not as if the UK natural gas industry marks a short, passing phase in a changing energy balance. Sir Denis Rooke, chairman of the British Gas Corporation, has emphasised time and again that there are sufficient reserves to maintain supplies at least until the turn of the century.

The Department of Energy estimates that some 52.2 trillion cubic feet of recoverable gas reserves remain in present discoveries. This figure covers the reserves in the southern sector of the North Sea—the site of the most mature commercial gas fields—the gas in UK fields in the northern sector of the North Sea (including those fields which contain mainly oil) and the Gas Corporation's own natural gas discovery in the Irish Sea, the Morecambe Field.

While the Energy Department believes that ultimately as much as 80 trillion cubic feet could be recovered, the Gas Corporation prefers to base its assumptions on at least 70 trillion cubic feet being extracted from reservoirs on the UK continental shelf.

Assuming British Gas is right, it seems there are sufficient reserves to meet UK demand for well over 30 years. In the past year, the corporation has bcen selling gas at an average rate of 4.5bn cubic feet a day (16bn therms a year). Over the next few years, sales are expected to build up to around 6bn cfd when they will flatten out.

British Gas could have access to even greater reserves if the Norwegian authorities and oil producers agree that the UK is a sufficiently lucrative market. The UK is already buying gas from the big Frigg Field which straddles the UK/Norwegian median line. However, gas from the Norwagian Ekofisk Field is being piped to Emden in West Germany.

The British and Norwegian Governments are still discussing the possibility of some form of joint pipeline operation linking fields in each sector. But the signs indicate that Norway will go ahead with its own trunkline system which will carry gas from its sector to the energy-thirsty markets of France, Belgium and West Germany.

For its part Britain seems certain to build a new gas gathering network of its own. The study into such an ambitious pipeline system is being conducted by Mobil and British Gas Corporation. Preliminary reports indicate that the study team's report will support the construction of a line which will probably feed gas into a Scottish shore terminal, quite possibly the existing one at St. Fergus, north of Peterhead.

Whether the British and Norwegian systems will be linked in soma way—a move which would greatly improve the flexibility of the two systems—is still open to question.

It might be wise for the UK to have some pipeline link to the Continent, not necessarily with a view to exporting British gas but to open the option of importing the fuel through an integrated European gas pipeline network.

Dr. Paul Tucker, a vice-president of Phillips Petroleum, told the Institute of Petroleum in London last week that natural gas could be expected to at least maintain its position in Western Europe's energy mix well into the 21st century.

However, as a resnlt of the limited European resources, imports from such distant areas as Nigeria, Siberia and the Middle East would have to play an increasingly important role. To gain access to these distant supplies European gas users must be prepared to pay crude oil-related prices.

The qnestion of gas prices has been exercising both the Gas Corporation and the Government. The decision of Mr. David Howell, Energy Secretary, to raise domestic gas prices by almost 29 per cent in two stages this year and industrial and commercial tariffs by 10 per cent is illustrative of the fact that the Government is anxious to bring the cost of gas more in line with the cost of other fnels.

It is undeniably a controversial move, given British Gas Corporation's already impressive profit figures. The corporation made a record £360.7m pre-tax profit on a £2.97bn turnover in 1978-79. In the next few years its annual profitability could pass the £1bn mark.

On tha other hand, there is no doubt that gas prices are a good deal lower than the cost of other fuels, so much so that British Gas has been inundated with requests for new business.

Looking further ahead, British Gas expects to make a heavy financial commitment to the development of substitute natural gas (SNG), which will be needed when natural gas supplies begin to dwindle. As it stands, the Corporation expects to spend about £300m in the next two decades in bringing the various facets of SNG technology to the stage of commercial demonstration.

It will be unspectacular work when set against the development of large offshore fields, the construction of new nuclear plants or the exploitation of new coal mines. But it will be vital, nevertheless, for SNG looks like providing a sizeable shara of UK energy needs some time early in the next century as well as ensuring a continuing role for the gas industry.

THE GAS INDUSTRY II

Pace of expansion slowed to safeguard supplies

WITH THE economy as it is there can be very few companies facing the British Gas Corporation's predicament. It has much, much more potential business than it can handle.

During a three-week period earlier in this financial year the Corporation committed itself to a level of industrial and commercial contract supplies that it would normally expect to sell over a two-year period. The marketing department suddenly found itself with a new role: it was actively dissuading potential customers, turning away business and providing new supplies only to those who have a statutory right to them. They have included around 400,000 new domestic customers.

It is not that British Gas does not have enough natural gas to satisfy a higher demand. In the summer months it could supply a much higher number of customers. And the reserves are there in the North Sea, the Irish Sea and perhaps the English Channel to allow for a considerable expansion—at least for a limited period.

There are two basic, but complementary, reasons why the corporation is keeping a brake on its expansion programme. First, it does not make sense for the gas industry to go full tilt for expansion over the next couple of years and then to find there are insufficient reserves to maintain the supplies over more than a decade or two. That would be both disruptive and a waste of capital resources. As it stands the corporation feels it can justify raising overall sales from the 1979/80 level of 4.75bn cubic feet a day to around 6bn cfd in the mid-1980s, but from then on the output should remain on a plateau.

Second, the corporation has to take account of its seasonally-fluctuating supply and demand balance. Natural gas is a premium fuel so, not surprisingly, the biggest proportion of gas sold in the UK is used for space heating.

This gives rise to some sharp peaks and deep troughs in the supply pattern. Demand in winter can be more than four times higher than in summer.

The industry has developed a number of measures intended to provide greater supply flexibility and to ease its problems during the troublesome winter months. These can be summarised as follows:

Interruptible Contracts: To supply its contract and tariff customers on days of abnormal demand, the corporation has the power to reduce output to those 700 companies that have agreed to buy gas on an interruptible basis. As much as a third of the gas supplied to British industry is covered by interruptible contracts. The companies concerned pay a reduced rate as compensation.

Inevitably, problems arise. Some companies complain that they were led to believe any interruptions would be minimal, if at all. In a severe winter or in periods of disrupted energy supplies, companies may not be able to buy alternative fuels to keep them going when the gas is turned off. British Gas argue that all of their interruptible customers were aware of the conditions when they signed the contracts. But there are other methods used to meet peak demand.

Storage: The industry stores gas in a number of ways. To help meet peak demand, the corporation has begun storing natural gas in salt caverns under the Yorkshire Moors. The first of these, at Hornsea, has become operational for the first time this winter. Filled during periods of slack demand, the cavity is capable of holding 1bn cubic feet. Several more are planned.

British Gas is also expanding its liquefied natural gas (LNG) storage facilities. There are currently four LNG storage centres—near Glasgow, near Manchester, in the East Midlands and in the North Thames area. Extra tanks can be put on these sites. Other LNG facilities are planned for South Wales, Bristol and the Thames Estuary.

Furthermore, the regional gas authorities are installing additional liquefied petroleum gas/air plants which again can be used to top up winter supplies of natural gas. At these plants the LPG is mixed with air to lower the thermal quality of the fuel and to make it compatible with natural gas. British Gas can also draw on supplies from its one naphtha-based substitute natural gas plant—quite probably a forerunner of many such plants.

Offshore storage: British Gas is negotiating with its partners in the Gas Council/Amoco Group to take over control of the Rough gas field in the southern basin of the North Sea. The corporation wants to use the partly-depleted field, discovered in May 1968, as a natural storage tank. Talks with the companies involved—Amoco, Amerada Hess and Texas Eastern—are believed to be at an advanced stage. If the deal goes through, British Gas will have to install equipment including compressors, extra pipeline and perhaps onshore facilities. It will also have to drill extra production wells, for the field will be given a completely new role and production profile. The field currently yields an estimated 100m cubic feet a day.

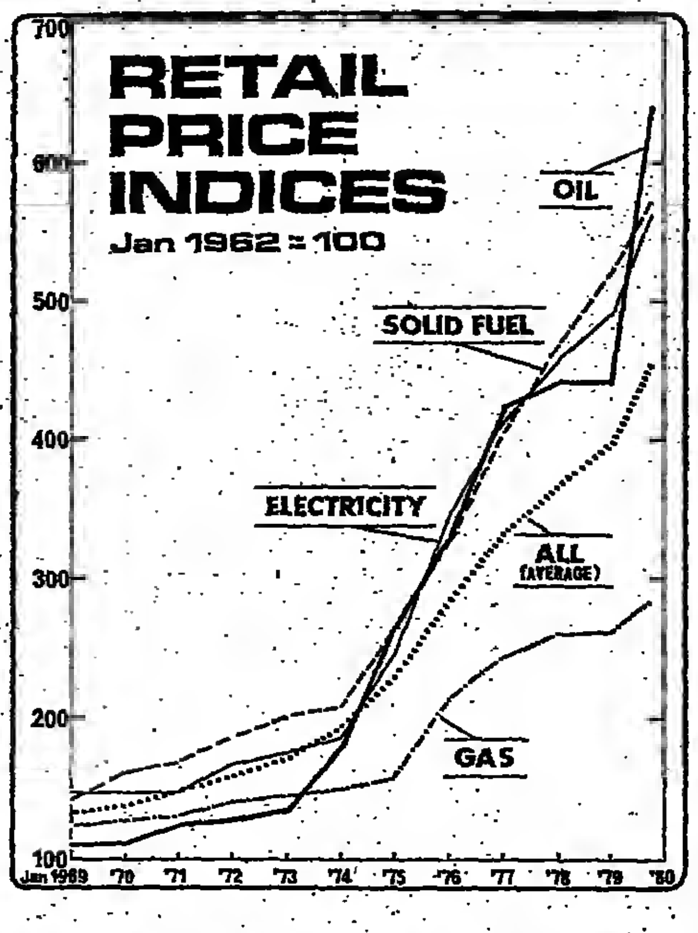
British Gas has another card to play: its own Morecambe field in the Irish Sea. This field will almost certainly be developed in such a way that its gas supplies can be turned up and down in tune with seasonal demand. Morecambe, containing estimated recoverable reserves of 2-3 trillion cubic feet, is to be developed at an estimated cost of around £450m.

The corporation has advanced the development of Morecambe as it has a number of projects in its five-year investment programme costing around £2bn, which is due to end in March 1984. For instance, the State undertaking is pushing ahead its fourth "feeder" transmission line from St. Fergus in Scotland to the north east of England. This will be the first major UK trunk line with a 42-inch diameter capacity. (In the main, Britain's transmission system has been built to a 36-inch specification.)

Within the next few months British Gas and Mobil are likely to submit to the Government a favourable report on the development of a new offshore gas gathering network; one which could collect gas from fields presently not served by pipelines to shore.

All this is intended to underwrite the corporation's relatively modest growth in sales over the next few years but, more important, to ensure that the supply commitments are met — even in the worst winter.

Ray Dafter



New offshore lines planned

THE CHANCES of a major network of gas gathering pipelines being constructed in the British sector of the North Sea seem brighter now than ever before.

But whatever the fate of this much debated idea, there is already sufficient work in the planning stage to ensure that the 1980s will see a substantial expansion of Britain's offshore gas pipeline network and the shore terminals at which the gas is treated.

During the next few years, gas from the northern sector of the North Sea should start to flow along the Brent pipeline to the terminal at St. Fergus in Scotland; British Gas should start construction work for the exploitation of its Morecambe gas field.

The southern sector fields, with pipelines running into three terminals at Easington, Theddlethorpe and Bacton, have been in operation for up to 10 years. The Frigg field only came on stream in September, 1977, but it now delivers some 1.5bn cubic feet of gas a day in winter to the terminal at St. Fergus—about 30 per cent of the UK's average consumption.

Two pipelines, each of 380 km, run from the Frigg field to St. Fergus. Roughly halfway along the line, which is operated by Total Oil Marine, is a manifold compression platform which, among its other jobs, acts as a pick-up point for associated gas coming along a spur line from the nearby Piper oil field. The Tartan field should also be connected to this spur in due course, which will bring the main Frigg pipeline close to capacity.

A second gas pipeline now terminates at St. Fergus: a 450-km line from the Shell/Esso Brent oil field, which is estimated to hold about 3 trillion cu ft of associated gas.

The plan is that this "wet" gas, containing extensive hydrocarbon liquids, will be processed into "dry" gas, suitable for the British grid, at St. Fergus and that the residual liquids will be moved by an underground pipeline south to a fractionation plant at Mossmorran, near Cowdenbeath.

Although the Brent-St. Fergus pipeline is complete, the operator's terminus at St. Fergus is still under construction.

As with Frigg, a small gas gathering system is developing around the Brent pipeline. Last year the so-called western leg was laid from Brent to Shell/Esso's nearby Cormorant field.

Behind such gas gathering systems lies strong conservationist pressures by successive governments on the oil industry, which often regards gas as an inconvenient by-product. The view of both the last Labour Government and the present Conservative administration is that the flaring of this gas is an unacceptable waste of a valuable resource. The question is: how best to conserve it?

In 1976 the Government set up a company called Gas Gathering Pipelines to investigate the feasibility of a major North Sea gathering network. When it reported in 1978, it frustrated some of the Government's most ambitious hopes, recommending the building of a number of mini systems which could feed into the Brent and Frigg lines.

However, the new Conservative Government revived hopes of a larger system in June last year when it announced that British Gas and Mobil North Sea were going to undertake a joint design and feasibility study on a gas gathering system in the northern and central sectors, with a third pipeline running into St. Fergus.

British Gas and Mobil, who expect to present their report to the Government in the spring, are keeping silent until then. But all the noises emanating from Whitehall suggest that the plan is very promising.

Such a line would become far more viable if gas were to be brought into it from the giant Anglo-Norwegian Statfjord oil field, which went on stream late last year. A major question mark hangs over the fate of Statfjord's large reserves of gas and this is likely to be the subject of considerable debate between the two Governments.

Whatever happens in the North Sea, the 1980s seem certain to see the construction of a new pipeline on the other side of Britain, to the shore from British Gas's Morecambe field. The corporation hopes this might start producing in the winter of 1983-84 but acknowledges that this is an ambitious target.

The next few years could also see some significant changes in the southern sector of the North Sea, which has been operating with quiet efficiency for a decade. It is now entering what one oilman calls the "machine era": the natural pressure of the gas is beginning to fall and this, coupled with extra demand, means that compressors are now having to be installed.

Martin Dickson

Land network extended

CONSTRUCTION WORK is to start this spring on a high pressure gas pipeline which will eventually stretch 280 miles south from North East Scotland and provide a major boost to the flow of gas to Britain from the North Sea.

The pipeline will run from St. Fergus, the terminal point for gas gathered from the northern section of the North Sea, down to Bishop Auckland, where it will link up with the national network of gas trunk lines. Its route will take it across both the Forth and Tay estuaries. The cost of construction is expected to average about £750,000 a mile.

This is one of the more dramatic examples of the major onshore building programme which has inevitably followed the impressive investment made offshore in recent years to develop new supplies of natural gas in the northern North Sea.

The new pipeline to Bishop Auckland, which British Gas hopes might be completed by the autumn of next year, will be the fourth running south from St. Fergus. The three others were constructed between 1974 and 1978 to handle gas from the Frigg Field, which came on stream in late 1977.

The main purpose of the fourth line will be to handle the associated gas which will eventually be brought ashore from the major Brent oil field. It will also serve a preliminary purpose: as a storage place for gas from other fields to help meet peak winter demand.

The fourth line will be the first 42-inch long distance pipeline to be laid in the UK — previous trunk lines only going up to 36 inches in diameter. As part of the fourth feeder, a section of 42-inch pipe has already been laid south from Bishop Auckland to Towton, in Yorkshire, which enabled British Gas to check the automatic welding process it would like to use on the rest of the line and to make sure there are no other major problems in a pipeline of this diameter.

Four new compression stations will eventually be needed along the route of the fourth feeder to boost the pressure of the gas. Two have just received planning permission—at Haddington and Arbroath — while two more are still at the planning stage.

The national transmission system already includes more than 3,000 miles of high pressure pipeline, feeding into regional systems which comprise more than 125,000 miles of low pressure pipeline and over 14m service pipes.

Such a network requires a sophisticated system of safety measures. As regards high pressure lines, British Gas claims to lead the world with its development of a device which can inspect a pipe without the line having to be taken out of service: a vehicle travels along the inside of the pipe, pushed along by the pressure of the gas, and locates any flaws to within a few feet. The corporation has already brought into operation a version for 24-inch pipes and is now planning to build up a full range.

At a regional level, British Gas has been laying particular emphasis in recent years on the replacement of old mains — a process given strong support by the King report into a spate of gas accidents over the Christmas of 1976. The report found no pattern in the explosions but did recommend an acceleration of the mains replacement programme. British Gas expects to be renewing 1,856 miles of mains a year by 1984 and 430,000 services — a 60 per cent rise over seven years.

After bringing gas safely from the North Sea to homes and factories, the corporation still faces a major problem in coping with very wide seasonal fluctuations in demand. At present, the demand for gas in summer is around 2,000m cubic feet a day, but in winter this can rise to over 9,000 cfd. How can the industry cope? Part of the answer is British Gas' interruptible supply contracts with industrial customers; another is to vary the flow of gas from the offshore fields.

A third method is to store gas, either under high pressure or refrigerated, until it becomes liquefied natural gas (LNG). Storage is likely to become increasingly important as Britain becomes more reliant on gas from the northern North Sea: there will be less room for altering the flow of this associated gas, since the oil producers will want to keep working their fields at a fairly even rate.

Martin Dickson

Labour force adapts to change of role

LABOUR RELATIONS in British Gas, unlike those of other nationalised industries, tend not to grab the headlines. The trials and tribulations of British Steel or British Shipbuilders with their industrial relations difficulties are followed meticulously. Those of British Gas seem tame by comparison.

In part, of course, this is due to the nature of the industry. British Steel and British Shipbuilders face similar problems of major adjustments; both have low productivity and a degree of overmanning at a time of sharply decreased world demand. Gas, on the other hand, has made its adjustment from manufacturing to distribution with the advent of North Sea supplies, and is reaping what few benefits there were from the sharp rise in oil prices since 1973.

Change, whether growing or reducing, is not accomplished without distress, as British Steel is at present showing. For British Gas, though the end product in labour relations terms may now be a relative peace, the change was by no means minor. The industry's manual workforce fell by some 40,000 in just over six years. As the industry moved from production in the gasworks to distribution in the North Sea gas pipeline centres, the jobs of manual workers changed too, from physically demanding work to the more skilful jobs of pipelaying, repair and maintenance.

Smooth transition

The transition, though, was fairly smooth. Unlike British Steel's present position, the change took place against a background of high employment. The option was there for workers to take the redundancy money offered with far fewer worries than those presently facing steelworkers.

Even the most notable recent union action in the industry—a five week series of selective strikes and overtime bans in 1973, was not directly over closures, but over pay: the then-Conservative Government's Stage Two pay code did not allow a pay increase for the gas workers as large as that for electricity supply workers, their traditional comparisons. Eventually an improved offer was made—which significantly included concessions on redundancy—which allowed the dispute to be settled without transgressing the pay code.

The manual workforce now remains comparatively steady at around 40,000. This steadiness is reinforced by the nature of the union which represents the majority of the blue-collar workers.

The moderation of the General and Municipal Workers' Union is both marked and longstanding. Though its members played a significant part in the industrial action which disrupted the public services last winter, and its members in the water supply and sewerage industry seem to be shaping up for a fight over pay in this round, the recent and past history of the union is hardly one of militancy.

Its background in the gas industry, too, is deep: though its formation in 1924 drew together two general unions and a council union, its birth really lies in the militant Gasworkers' Union, founded in 1889, which led an early move towards the trade union target of a shorter working week by calling for an eight-hour day. Its first general secretary came from the background of the gasworkers' section.

Its stability, too, is marked in terms of pay. It has maintained its earnings position against electricity supply and water workers without the disputes of the former in the 70s or the rumblings of the water workers now.

According to the Department of Employment's New Earnings Survey, average gross weekly earnings in the gas industry stood in April last year, at the time of the latest survey, at £99.40, in comparison with £95.20 for electricity supply and £91.70 for water workers.

The industry has since then made further advances in pay. As part of its last annual settlement, the industry has just negotiated an award which provides for eventual increases of 5 per cent in base rates, together with the consolidation into basic rates of about £10 worth of self-financing productivity supplements in return for a lowering of bonus rates to a maximum of 58 per cent of present rates in the first stage and 55 per cent in the second stage and a study of job timing under regional work study incentive payments.

Pay negotiations for the group for the past eight years have been handled for the GMWU by Mr. John Edmonds, national officer for the industry. He is leading the union team on the current round of negotiations, for though the settlement which gives an eventual 5 per cent has only recently been concluded, the unions have already tabled their annual claim and have recently heard the employers' reply.

The claim calls for an £80-a-week minimum at the bottom end of the pay structure, the distribution mate, which would mean an increase of about £17, or roughly 26 per cent on basic rates. It also claims an increase in differentials, the end of the statutory differential between manual and staff grades, longer holidays and a reduction from a 40- to a 37-hour week.

Mr. Edmonds lists two changes in the industry's recent labour relations as being particularly significant. The first is the consolidation and reduction of the bonus schemes as outlined above. The second, a rather more wide-ranging ambition, is what Mr. Edmonds calls the "determination" of all the trade unions involved with the manual workers in the industry to achieve full staff status.

In part this desire stems from the changed nature of the work to a more skilled job. For the white-collar staff, though, mainly represented by the National and Local Government Officers' Association, the determined aspirations of the manual workers' unions have led to difficulties.

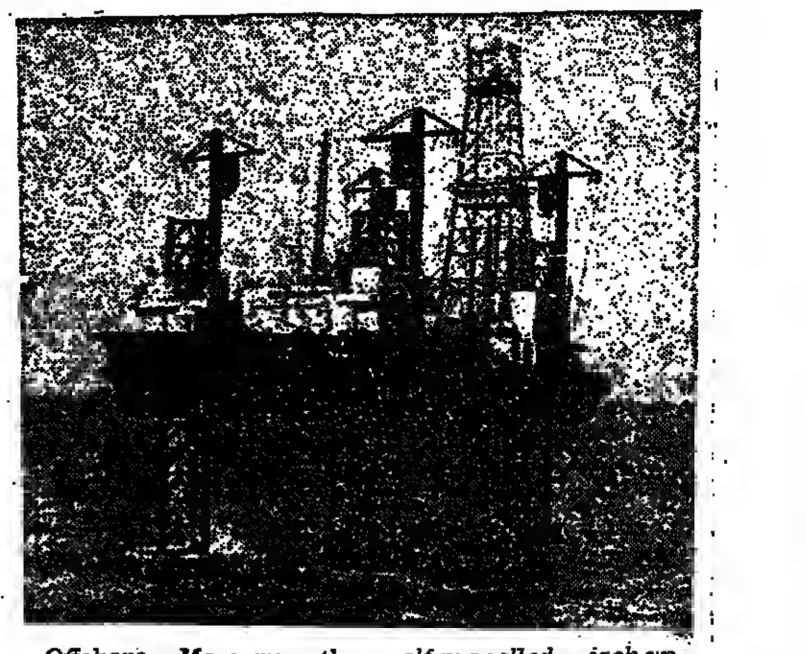
While the manual workers' industrial relations record has remained comparatively unblemished, the white-collar workers have been more turbulent.

Mutterings of discontent began to emerge last year, when MATSA, the white-collar section of the GMWU, which represents about 6,000 staff, and then NALGO itself, which represents about 45,000, began to talk of industrial action. An informal offer of 9 per cent changed first into an offer estimated by the unions to be worth about 11 per cent, then 14 per cent and finally 17 per cent in the face of the unions' claim for substantial pay increases and the establishment of a £65 a week minimum wage. Even then, the 17 per cent deal was thought by both the unions and British Gas to be likely to be worth a few percentage points more by the very early part of this year.

The unions can take comfort, though, from the fact that unlike other nationalised corporations, British Gas is profitable. While negotiations for last year's manual workers' pay settlement were undeniably protracted, gas workers unlike those of again, say, British Steel, do not have to fight against massive financial losses.

For the gas workers, that present profit must for the moment spell security: for the industry, stability in labour relations. And despite the difficulties in the white-collar sections, the pattern of stability is one that looks set to continue.

Philip Bassett



Offshore Mercury, the self-propelled jack-up drilling rig used in the discovery of the Morecambe field for British Gas

Researchers look beyond N. Sea supplies

BRITISH GAS has mapped out a research, development and demonstration (R, D and D) strategy for ensuring continuity of supply of methane throughout Britain at a high level of demand, as and when North Sea resources of natural gas run down. On present estimates this involves the expenditure of about £300m over the next two decades, mostly on proving new technologies for the conversion of hydrocarbon feedstocks such as gas oils, crudes and coals to methane. The board of British Gas has approved this research strategy.

Fortuitously, through the far-sightedness of the late Dr. Freddie Dent in the 30s, the gas industry has a family of technologies which look very promising for the purpose. The aim today is to ensure that each one is ready to be exploited when the price of the feedstock to make substitute natural gas (SNG) begins to look competitive with the real thing.

But why SNG? Many researchers advocate hydrogen as the cleanest fuel of the future. Sir Denis Rooke, chairman of British Gas, points out that he already has a transmission system for methane at high pressure in which over £1.5bn has been invested, and that methane is safer than hydrogen.

What is more, he believes that if his SNG technology can maintain the present two-fold advantage in overall energy conversion efficiency over electricity—"and frankly we're highly encouraged at the moment"—SNG must remain competitive with nuclear power for heating until well into the next century.

The industry's R, D and D plan, under the direction of Dr. John Gray, therefore embraces the whole spectrum of potential hydrocarbon feedstocks for SNG, from liquefied petroleum gases through crudes to hard coals. It already has a development and demonstration plant site at its Westfield development centre in Scotland, for conversion of coals. It plans to open a new one at Killingholme on the Humber—like Westfield the site of a former gasworks—to explore the spectrum of liquid feedstocks.

Uncertainty

Liquid feedstocks are simpler to convert to SNG than coals and so capital costs are expected to be lower, but the big uncertainty is in supply. The gas industry has already developed a range of potential processes for the various oil fractions, using both catalytic and fluidised-bed routes to improve the hydrogen:carbon ratio, and is concentrating on the problems of reducing capital and operating costs for high-pressure process plant. Its current programme, centred on the Midlands research station at Solihull, costs £2.8m a year and is expected to stay at this level for the next five years.

The processes are designed to manufacture gas at 30-40 atmospheres pressure. At the light fraction end of the spectrum they are catalytic processes deriving from Dr Dent's original break-away from the synthesis (low calorific value) gas route of the past. The key is a highly active catalyst.

British Gas believes that SNG manufactured from the lighter distillates will find roles in Britain in the 90s, in meeting peak loads and even in meeting base loads if offshore supplies should run out quickly.

Its catalytic technology will also successfully convert such fractions as kerosene and gas oil. Within two years it plans to have a sizeable demonstration of the conversion of gas oil operating at the new Killingholme site.

But gas oil—the heaviest fraction which can be vaporised—seems likely to be the limit of catalytic conversion. For the heavier fractions, including crude itself, the technology on which the industry is betting is the fluidised-bed hydrogenator. This technique can afford good control of a highly exothermic (heat-releasing) reaction and will mop up the excess carbon without forming tars to clog the plant. Normal refinery crudes can be gasified by this route without difficulty, says Sir Denis. The technology has a lower thermal efficiency than the catalytic processes and will cost more to instal, but he believes the industry may want to use it to convert crudes to meet seasonal loads, if more natural gas is not discovered.

The feedstock of which the industry has fewest doubts about supply is coal. It is more troublesome to handle and process than liquid hydrocarbons but large indigenous reserves could eventually offset these disadvantages. The route British Gas has been developing in the '70s is a two-stage process involving a new kind of gasifier followed by the methanation process already developed to accompany its catalytic processes for light oils.

For the first stage, Westfield has been developing a modification of the standard Lurgi gasifier, capable of handling lump coal of widely varying quality instead of requiring coals closely specified both for their quality and their size. In essence the idea is to run the reactor hot enough to melt the ash and continuously tap it to keep the reactor from clogging up. The big challenge is to do this at high pressure, 30-40 atmospheres.

Wide range

Westfield first demonstrated its "slagging gasifier" in 1974. Since then it has demonstrated that it can handle a wide range of coals to produce gas continuously for the manufacture of SNG. These include "caking" coals which simply swell up and choke the Lurgi gasifier, coals rich in iron, and coal with 30-40 per cent ash.

Current strands of development include the characterisation of as wide a range as Westfield can obtain of the kind of British coals the National Coal Board expects to be mining in large quantity in the next century. This includes construction of a new and substantially bigger slagging gasifier. Another project is to deliver by mid-summer the designs for a large slagging gasifier plant for making 60m cubic feet per day of SNG. These have been commissioned by the U.S. Department of Energy, with the idea of using them in a large SNG demonstration it plans to fund. For Britain, the first commercial-scale SNG plant could be built in the 90s, probably of 100m cubic feet a day capacity.

The third and most ambitious project at Westfield is the development of a more advanced type of slagging gasifier, capable of handling run-of-mine coal — the entire output of a mine — in a single reactor. Modern mechanical mining, the technique of recovery expected to continue well into the next century, can produce coal consisting of as much as 50 per cent fines. The composite slagging gasifier, as the concept is called, is an attempt to roll two gasifiers into one — with one part processing lump coal, the other the fines.

Westfield has begun a development programme of such a gasifier, designed to produce a reactor of up to 6-8 feet diameter, to a stage where construction can begin in 1982. It has invited tenders from such companies as Babcock International and Humphreys and Glasgow, for the fabrication of an experimental facility on which it expects to spend about £15m over the next two to three years. It has been promised an EEC contribution towards the development costs, as a unique concept in energy conversion. But Sir Denis Rooke is confident the project will go ahead whether the EEC contributes or not.

David Fishlock

THE GAS INDUSTRY IV

Customers not deterred by price rises

THE IRANIAN revolution and the ensuing oil crisis of last year bas led to an unprecedented upsurge in demand for gas which not even the most swingeing price increases are likely to dampen.

British Gas, which has been turning away new business loudly and determinedly, opened the new year by announcing price increases of 29 per cent for domestic consumers and 10 per cent for industrial and commercial users who buy their gas on tariff. The domestic price rise is to be in two stages—17 per cent on April 1 and another 10 per cent on October 1. What is more, domestic customers can almost certainly expect further price increases next year.

Meanwhile, the contract prices charged to major industrial users of gas have been going up steadily in line with rising oil prices. Yet the number of people in all three sectors—domestic, commercial and industrial—who want to switch to gas or increase the amount of gas they buy is still growing.

Domestic users form the biggeat group of British Gas customers. Last year they bought 7.895bn therms while industrial consumers bought 6.074bn therms and commercial users a mere 1.965bn therms.

The size of the domestic sector reflects the British Gas Corporation's policy of giving priority to premium markets—those where the particular qualities of gas, such as its cleanliness and reliability, can be put to the best use. Over the past 20 years, bouseholders have been quick to appreciate the advantages of using gas rather than other fuels for heating and for cooking, so much so that they bave even been prepared to pay comparatively high prices for it.

Gas had the lion's share of the domestic central heating market back in the 1960s when it was more expensive than other fuels. The discovery of gas reserves in the North Sea and their subsequent exploitation brought down prices and cheapness made gas even more attractive as a domestic fuel.

But it is perhaps significant that comparatively high prices bave not heen able to deter bouseholders from using gas in the past. There seems no reason why a 29 per cent price rise should curb domestic demand now—particularly as gas will continue to he the cheapest fuel available.

Electricity for domestic use currently costs between twice and four times as much as gas while oil for domestic purposes costs between two and three times as much. Bnt the planned increase in domestic gas prices will have only a small impact on these ratios: electricity prices are being increased by 22 per cent and the price of oil and oil products is also rising steadily.

Bnt although domestic gas price rises are unlikely to have mnch effect on demand from bouseholders, they should he viewed favourably by industrial and commercial consumers who are currently paying far more for their contract supplies. Domestic prices were frozen for over two years until last June, by which time some industrial consumers were becoming bitterly resentful of the privileged position enjoyed by a bome-loving pnblic.

By last summer tha "flight from oil" was in full swing, caused not only by the dramatic increases in crude price that bad taken place but also by the need for greater security of fuel supplies. British Gas was forced to admit that it could not meet the trebling of demand it was having to face in some parts of the country and nor could it "take over the whole of the load formerly borne by oil."

Unwilling

The corporation was not only physically unable to meet all tha calls for extra or new supplies, but was often unwilling to do so in the case of the industrial and commercial sectors. For the sudden tightening of the supply and demand position helped, if anything, to strengthen the corporstion's determination to give priority to premlum markets. Yet industry and commerce freqnently want gas for otber than premlnm uses such as the powering of plants, which can bc done with oil.

Britisb Gas bas a number of statutory dnties which also give it little choice other than to favour its biggest group of premium use customers—the bouseholders. Under tha 1972 Gas Act it must supply up to 25,000 therms a year to anyone whose premises are within 25 yards of a main.

This emphasis on the needs of the domestic sector has been attacked in a number of quarters, notably by the chemical industry, which is one of British Gas's major customers.

Chemical companies are in a stronger position than most manufacturers for attacking Britisb Gas policies simply because roughly 50 per cent of the gas they buy is used as feedstock—a premium use. They also have some justification for claiming that the present system of pricing and supplying gas can introduce an element of unfair competition into the market place.

British Gas has to give favourable prices to customers which it took on before 1976, for example. This group of customers is entitled to tariff rates—currently 24p a therm which is lower than the average contract price—for the equivalent of the maximum amount of gas they bought in any year before 1976. This penalises manufacturers or commercial consumers who have opened, or are planning to open, new plants.

The ruling, which comes under the 1976 Energy Act, also makes it hard, if not impossible, for British Gas to charge oil-related contract prices to some of its customers. Yet the corporation itself accepts that gas prices in all three consumer sectors must be brought closer to those of oil to avoid gross distortion in the energy market.

The domestic gas price increases which are planned for this year will go some way towards introducing greater fairness into what is at present an anomalous system. But even if domestic prices are brought into line with those charged to industrial and commercial consumers and even if contract prices become ever more firmly tied to the cost of crude, British Gas is still likely to have many more would be customers at its doors than it can cope with over the next few years.

Sue Cameron

Retail market monopoly under scrutiny

THE PROBE by the Monopolies and Mergers Commission into the sale of gas appliancea is falling further behind schedule and may not now even be published this year.

The probe, launched in November 1977, should have been completed towards the end of last year. But the commission was given permission by Mr. John Nott, Trade Secretary, to extend its investigations until the end of May. However, the commission's notorious inability to meet its deadlines (it has just been given its third time extension for its investigation into credit cards), suggests that it may seek even more time to complete the gas appliances probe.

The fact that the commission takes so long in its investigations is one of the reasons wby the new Competition Bill will require the commission to complete its anti-competitive investigations within a maximnm of nine months.

The decision to investigate the sale of gas appliances had been taken by the Office of Fair Trading, which referred the issue to the commission. The OFT was concerned to establisb the implications of the British Gas Corporation'a monopoly in tbe sale of gas appliances in the UK.

The OFT is charged with protecting the consumers' interests and, consequently, wants the commission to decide wbether British Gas's obvious monopoly operates for or against the public interest.

Consumer groups have suggested, for example, that British Gas's market dominance may lead to the consumer paying higher prices and also may prevent price-cutting retailers from entering the market.

Britisb Gas's involvement with selling gas appliances, although obviously of major significance to the gas consumer, represents only a small part of its total activities. Only just over 6 per cent of its total turnover of almost £3bn last year was accounted for by the sale of appliances. Yet the importance of encouraging the growth of gas appliance sales is not lost on British Gas, since it is vital to tbe future of the industry.

In terms of volume sales, gas-fuelled space heaters are the largest market sector with some 884,000 units expected to he sold by British Gas in tbe current year. Gas cookers come next with 592,000 units, then central heating with 166,000 units, and tben water beaters with 140,000 nnits.

British Gas's total share of each market is: cookers, 95 per cent; space beaters, 84 per cent; water beaters, 78 per cent; and central heating, 32 per cent.

Largest consumers

In terms of gas usage, central beating appliances are the largest consumers of gas, followed by space heaters, water heaters, and cookers. Sales in the 1980s are forecast to rise for cookers and to remain static or slightly decline for other appliances. With the exception of cookers, the majority of current and future sales are expected to arise from new installations or at the expense of non-gas appliances.

The retail structure for gas appliance sales is dominated by British Gas with its 938 showrooms scattered throughout the U.K. A further 251 authorised dealera also exist, mainly concentrated in the North Thames region of British Gas and wbo were appointed before British Gas was set up. They operate in exactly the same way as gas showrooms, except that they are owned and managed independently.

However, consumer groups have pointed out to the Monopolies Commission inquiry that as these authorised agents are dependent on British Gas for what they sell and the prices they cbarge, they are not really competitors at all. Otherwise, the presence of any alternative retail outlets is extremely patchy. Some areas of the country hove a number of alternative outlets, such as department stores, while others bave none at all.

The question of competition is also raised by the fact that the three biggest appliance manufacturers are estimated between them to make more than half the appliances sold in the UK.

The major manufacturers are: Thorn Domestic Appliances, which has at least half the total market for gas cooker sales, and two of its brands, Main and Parkinson Cowan, share market leadership; Tube Investments is the next largest with its New World brand; and Belling, Valor, Cannon, and Flavel, are the other main names in the market.

Most appliances purchased by British Gas are manufactured in the UK. Its sales of imported appliances as a percentage of total sales in 1977-78 was 0.2 per cent for cookers, 1.6 per cent for space beaters, and 20.6 per cent for water heaters. Appliances are normally only imported when a suitable model is not available in the UK.

But probably the main question the Monopolies Commission will consider is why there appears to he so little price competition for gas appliances, especially cookers.

According to a Consumers' Association survey, most gas cookers are sold at or around the recommended retail price. This was in marked contrast to the price competition that existed in the electrical appliance sector where discounts ranged up to 40 per cent below the recommended retail price.

The association concluded that "given the massive buying power of British Gas, it is surprising that the discounts it must be able to negotiate do not appear to be passed on to the consumer." While acknowledging that this buying power may be reflected in lower list prices rather than bigger discounts, the association calls on the Monopolies Commission to aspect this question more fully.

David Churchill

Level of complaints falls

WITH SOME 14m households using in total some 43m gas appliances it is hardly surprising that things sometimes go wrong. Most people are prepared to accept that no organisation or product is perfect—but they will complain when the standard of servicing is less than they expect.

Although British Gas does not reveal the level of customer complaints—it prefers instead to talk in terms of reaching target standards for dealing with complaints—it does employ some 30 per cent of its employees on customer servicing.

There is some evidence to suggest that, in spite of individual "borror" stories of bad service, its ability to deal with its millions of customers is improving. The National Gas Consumers' Council, the watchdog body set up six years ago, says in spite of a rise in the number of consumers, the nnmber of complaints has fallen over the past three years.

Just under 40,000 people fell sufficiently strongly about their problem with British Gas to complain to one of the regional gas consumer councils in 1978-79, a drop of 9 per cent on the previous year. It must be emphasised, however, that these are only the people who actually complain to the consumer councils. Many people with gas problems may not bother to complain to the consumer conncil.

Surveys have sbown, however, that the National Gas Consumers' Council is one of the best known of all the consumer watcbdog bodies.

The National Gas Consumers' Council points out that complaints about conversion to North Sea gas were negligible in the past year, since the conversion programme had already been completed. But even if conversion complaints — which reflect the number of conversions rather than British Gas's efficiency—are exclnded, the absolute level of serious complaints shows a decline over the past three years. The number of complaints per 10,000 domestic consumers has also fallen over the period.

Yet in spite of this overall decline in complaints, the Gas Consumers' Council reports that complaints in some sectors hava risen. These categories are sales and service, central heating, and distribution—in other words, complaints about the provision of gas to a consumer's premises. Other areas of complaint, such as disputed gas accounts, have fallen over the past year.

In particular, the Gas Consumer'a Council highlights the problem of faulty gas appliances, especially those which develop faults shortly after purchase. Some 20 per cent of all sales and service complaints recorded by the regional consumer councils arise from such defects. A small-scale survey carried out by the National Council confirmed the extent of the problem—even suggesting that the faults rate for new appliances may be as high as 90 per cent — and fnund that cookers were the chief source of complaint.

An essential support function for the customer service operation is the supply of parts and materials. British Gas, for example, has to deal with 7,000 types of domestic appliances. Some 43m appliances are in current nse and about 400,000 spare part numbers are kept on microfilm record.

British Gas sets target service standards for its domestic customers which broadly cover customer contact; speed of service; appointments and notification of planned visit; availability and speed of supply of spare parts; and the target number of visits per completed job.

Appointments

The national target standard for "on demand" service work is within two days, with a same-day level of service for attention to higher priority work. Not all customers, however, require service within this time-scale and actual performance is thus affected by customers' requirements. This is reflected in the regions' steady move tnwards the offering of specific appointments for service work.

As a part of the investigations carried out by the now-defunct Price Commission into British Gas last year, three regions were looked at in particular detail. These were the Northern, the West Midlands, and the North Thames regions.

An analysis of the average number of visits required to complete a job indicated that all three regions have improved their performance in respect of on-demand service, regular servicing and appliance fixing over the last three years. Performance on emergency work has remained constant in Northern and West Midlands, but bas shown some improvement in North Thames.

In the three regions surveyed, it was found that emergency work was being performed within the revised target standard set for each region. However, on-demand servicing and appliance fixing were almost always below the target standard.

The customers' opinion of the standard of service received is monitored by the various regions and forms the basis of special Gold and Silver Flame awards for the regions with the higbest level of consumer satisfaction.

David Churchill

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COMMODITIES and AGRICULTURE

Wool output up but stocks fall

By Arnold Kransdorff

LOW STOCK levels in Australia are likely to reduce worldwide availability of wool by about 11 per cent, in spite of increased output from the five main exporting countries, Mr. D. J. Asimus, chairman of the Australian Wool Corporation, forecast yesterday.

Speaking at the half-yearly meeting of the International Wool Textile Organisation in Paris, he disclosed that Australian stocks at the end of 1979—at 170,000 bales—were 80 per cent lower than the previous year and represented the lowest December level for six years.

While shorn wool output was 3 per cent higher for the season, total availability would be 33 per cent down, he added.

A similar pattern—higher output but lower stocks—was reported by New Zealand's Wool Board managing director, Mr. Hugh Pierse.

Wool production in the present season is expected to rise by 5 per cent to a record figure of nearly 340 kg—almost 6m kg more than the record clip of 1970-71, he said.

However, New Zealand's wool stocks fell by 20m kg by the end of 1979. "The net marketing picture for this season is one of even supplies," he added.

Another feature of the present season was the increase in the amount of wool coming forward to auction. Until the end of December 659,000 bales had been offered—97,000 more than the previous comparable period.

Gold jitters spur upsurge in sugar

BY JOHN EDWARDS, COMMODITIES EDITOR

WORLD sugar prices surged upwards yesterday to the highest level since 1975. The London daily price for raw sugar was raised by £10 to £203 a tonne. On the futures market the May position jumped by over £16 to close at £215.375 a tonne.

In New York the March contract reached 20 cents a pound while the other months were the permissible limit up of 0.50 cents in early trading.

Dealers claimed that the unsettled conditions in the gold and silver markets, especially the restrictions on trading in the U.S., encouraged speculators to switch into sugar instead.

Although there was little fresh fundamental supply-demand news, there was heavy speculative buying that overwhelmed any selling resistance and finally encouraged trade houses to buy in expectation that prices could go still higher. Rumours persist that the Soviet Union is still buying. This, coupled with forecasts of a sharp deficit in world production to supplies this year, with output falling and demand rising, has convinced speculators that sugar will remain a strong market.

Ignored in the headlong rush is the fact that at 19 cents a pound the first tranche of reserve, surplus stocks put aside by producers can be released under the terms of the International Sugar Agreement. Further releases of these reserves take place as the market moves up to the Agreement's "ceiling" of 21 cents.

It is estimated these reserve stocks would reach 2m tonnes by the end of 1979, but it is difficult to say whether this figure was reached in view of the rise in prices during the second half of last year. Certainly the abolition of export quotas this year has not so far brought a rush of supplies on to the market from producers.

Most dealers feel it may be some time before sufficient extra supplies are forthcoming to meet the surge in demand, led by the Soviet Union.

Yesterday the EEC Commission in Brussels at its weekly tender authorised the export of a further 74,300 tonnes of white sugar and 20,000 tonnes of raw sugar. Although this is a bigger quantity than the amounts authorised for export last week, the market viewed the tender result as "constructive" since it demonstrated there was good demand.

Another producer zinc rise

By Sara Davies

A third zinc producer has said it will raise its European producer price from today. Hudson Bay Mining and Smelting is to raise its zinc price to $825 a tonne from $780 a tonne. This follows similar increases this week by A. M. and S. Europe, and Cominco, but so far no smelters have put up their prices.

Meanwhile the International Lead and Zinc Study Group (ILZSG) reported that world supply and demand for lead during 1979 continued to be closely balanced, while supply of zinc exceeded demand, with refined zinc production reaching record levels. World stocks of zinc have therefore increased ILZSG has said.

World mine production of lead was 2.51m tonnes in 1979, unchanged from the 1978 level. European output rose by 7 per cent to 501,000 tonnes, offset by a fall in U.S. and Canadian production.

Refined lead production rose 1.6 per cent to 3.98m tonnes while world consumption fell by 1 per cent to 3.84m tonnes. The fall in lead consumption was mainly due to a slackening in demand in the U.S.

Total zinc production fell by 1 per cent to 4.58m tonnes, with production in Europe up by 4 per cent to 1.05m tonnes, due to increased output in Ireland. Increases were also noted in Peru and Australia, but falls in Canadian, U.S. and Japanese output.

Refined zinc production rose by almost 10 per cent in 1979 to 4.71m tonnes, a new record. U.S. output increased by 24 per cent, and producer stocks have risen by 75,000 tonnes to 475,000 tonnes.

● The violent fluctuations in gold and silver was the dominating influence in the base metal markets yesterday. Copper cash wirebars eventually closed £15.5 higher at £1,229 a tonne and aluminium, lead, nickel and zinc also moved up. The exception was tin, which was depressed by a sharp fall in the Penang market overnight.

GRAIN EMBARGO

EEC debates trade bans as a political weapon

BY JOHN WYLES IN BRUSSELS

INDICATIONS of how seriously the EEC plans to control exports on some of its agricultural products to the Soviet Union following the invasion of Afghanistan should start to emerge from product management committee meetings here today.

In the past fortnight the Community has supported the partial U.S. wheat embargo to the extent of banning tenders for export restitutions on grain for delivery to the USSR. At virtually the same time, it suspended the pre-fixing of export restitutions on butter and butter oil, following indications of heavy demand from the Soviet block, and also of poultry meat.

This move raised a barrier against any possible Soviet attempt to buy 60,000 tonnes of poultry as a substitute for a sale cancelled by the Americans.

The management committees, which represent EEC member states and sit under the chairmanship of a Commission official, are expected by many observers to restore export restitutions for butter, butter oil and poultry meat for both political and pragmatic reasons.

Some EEC members led by France, are opposed to invoking the trade weapon against the USSR. They support their view by the more widely acknowledged argument that the EEC has no effective powers of ensuring that its export products do not find their way to Russia.

This applies even in the case of grains, in spite of action already taken. All member states admit that grain which has been granted export restitution for one destination can then be shipped on to the USSR. Nevertheless, the Commission has removed the Soviet Union from its zoning system for export restitutions and has grouped all Eastern European countries in Common zones so that it can monitor export volumes and determine whether Russia might be purchasing supplies through its allies.

The Commission did float the idea of designing a similar zoning system for butter so as to enable the Community to outlaw direct sales to Russia. But this was opposed by several governments at last week's EEC Foreign Minister's meeting, with only the UK arguing strongly in favour.

Thus the Community may well allow the suspension of prefixation of butter refunds to lapse. In spite of the suspension 13 days' ago, the USSR may well have continued to make purchases from exporters who have been able to obtain the daily export refund for which they do not apply in advance of sales and to which they are automatically entitled. Licence applications for this refund do not have to state the destination of exports so that Commission has no effective control over this category.

A resumption of untrammelled export sales of butter is bound to strengthen the controversy within the Community about selling the product to the Soviet Union. Last year, when Russia purchased close to 100,000-tonnes of EEC butter at heavily subsidised prices, there were strong protests within the UK and the European Parliament.

Meanwhile, Mr. Guido Brunner, the EEC Energy Commissioner, issued the strongest condemnation yet by a member of the European Commission of the principle of using trade to punish the Soviet Union.

He said in a speech in Bonn that the use of economic reprisals was bound to fail.

Coffee futures fall sharply

BY RICHARD MOONEY

NEARBY POSITIONS on the London coffee futures market fell another £40 yesterday as traders reacted to more aggressive selling by Central American producers.

The March quotation, which declined £7 on Monday and £16 on Tuesday, finished £41 lower at £1,480.5, the lowest level in sterling terms since last July's Brazilian frost.

The fall reflected the overnight tone on the New York market, where dealers marked down prices in response to sharp cuts in Colombian prices. With discounts, Colombian coffee had been offered as low as $1.67 a lb compared with a ruling market price of $1.70.

Dealers also noted that Mexico had been a keen seller on Tuesday though this was not so much in evidence yesterday.

They said the cheaper offerings from Central America could undermine Brazil's marketing policy for 1980, which has still not been finalised in spite of an announced export target of 15m bags (60 kilos each) against 12m in 1979.

A further "bearish" influence on the market was selling by the Latin American Bogota Group of coffee producers, which has been one of the strongest holders of coffee in recent months.

From Rio de Janeiro, Reuter reported that Sr. Octavio Rainho, president of the Brazilian Coffee Institute (IBC), was scheduled to travel to Brasilia yesterday for consultations with Government Ministers.

There was still no indication of when the IBC would disclose its 1980 marketing policy, but traders said this would not be made in the form of an official announcement.

The Institute would be more likely to inform roasters privately of its intentions, and once the contracts were signed, the roaster would come to the Brazil export market, they said.

Brazilian exporters are awaiting anxiously for the IBC to conclude its contracts with roasters so business can begin again, private traders said.

They expect Brazil to establish a marketing policy similar to Colombia's, including a system of discounts, fidelity rebates and price guarantees.

One uncertainty is the basis Brazil would use to calculate discounts on the minimum export registration price. This would be the Central American "milds" indicator or a combination of "milds" and "robustas," the traders said.

Slow growth in aluminium use expected

ZURICH—Alcoa of Australia expects world aluminium supplies to become tighter in the current decade, managing director and chief executive George T. Haymaker has said. This will be in contrast to some periods of surplus over the last 10 years.

The company expects growth rate for world aluminium use to slow to 4.9 per cent in the period from 6.5 per cent in the past 10 years, Mr. Haymaker said, reflecting lower economic growth and higher recycling of the metal.

Supplies will nevertheless grow tighter since no significant production capacity expansion is expected, he said.

Supply and demand in the current decade should be in much closer balance than in the past

Promotion fund launched

By Richard Mooney

BRITISH FRUIT and vegetable growers are being asked to contribute 25p an acre for field crops under glass to boost the National Farmers' Union (NFU) horticultural promotion fund.

The fund, which was launched last March, currently stands at about £8,000, but the Union hopes to boost this to £40,000 or £50,000. If all growers agreed to contribute, the fund would be worth over £100,000.

The money is to be spent on generic advertising, mainly in women's magazines, of a wide variety of British fruit and vegetable products.

Home-grown produce at present accounts for 40 to 50 per cent of the UK domestic market, but Mr. Peter Pearson, chairman of the NFU central horticultural committee, said he believed this could be raised by up to 20 per cent. He also thought the promotional fund could be used to win new export markets.

"The UK horticulture industry is not doing enough to sell its own wares," Mr. Pearson said.

Chinese rubber

PEKING—The Chinese produced 97,400 tonnes of rubber last year, an increase of 2.4 per cent over the previous year, the New China News Agency said. Reuter

U.S. cuts hit grain transporters

BY OUR COMMODITIES STAFF

THE U.S. embargo on grain shipments to the Soviet Union is having considerable impact on transportation companies and firms which supply grains to exporters, Mr. Shigeru Endo, vice-president of Mitsui, told a grain dealers' conference here in the U.S.

The government has promised to help the exporters who had contracts with the Soviet Union, but has offered no aid to those involved in gathering grain, shipping and supplying grain to exporters," he said.

Chicago prices and farm prices have recovered from the shock, but barge rates—at 115 per cent of tariff—are half what they were before the embargo, he said.

Rail rates and the New Orleans cash price also remain sharply lower, he said. Mr. Endo noted that Mitsui recently delivered rail corn to New Orleans at 16 cents per bushel under March. The company, he continued, could not unload a large number of barges following the embargo and has sustained high costs in demurrage and interest rates. Grain quality has also deteriorated. He said there are currently 2,800 loaded barges at New Orleans.

"The use of food or energy as a weapon of foreign policy has enormous implications," he said. "The U.S. government is more involved than ever in marketing grain, and nothing would be worse than an end to the great U.S. free agricultural market."

Argentina is expected to eventually ship 5.5m tonnes of wheat to the USSR. Another 1m tonnes of barley may go to the USSR from Canada or Australia.

Argentina's original buyers, such as Spain, may then have to come to the U.S. to fill their needs.

The U.S. Commerce Department has issued a total of 16 export licences to U.S. companies to ship 400,000 tonnes of wheat and corn to the Soviet Union.

No breakdown of corn and wheat quantities was immediately available.

The Administration's programme to counter the short-term impact on U.S. farm prices of the suspension in grain shipments are working, Agriculture Secretary Bob Bergland has said.

Mr. Bergland told the Senate Agriculture Committee both cash and futures prices of soyabeans have recovered to the levels they were before January 4, the day the embargo was announced, while wheat and corn prices are expected to fully recover.

Meanwhile Australian grain exporters will be asked by their government not to enter into new contracts for the sale of barley, oats or sorghum to the Soviet Union, Primary Industry Minister Peter Nixon had said.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Higher again on the London Metal Exchange after another day of hectic activity sparked by the wild movements in the bullion markets. The limit-down movement on Comex the previous evening saw forward metal open at £1,120. However, heavy speculative buying lifted the price to £1,240 before trade selling pared the market to £1,180. Thereafter the price gained ground to touch £1,256 in the afternoon owing to the sharp advance in gold prior to late profit-taking prompted a close on the late kerb of £1,230. Turnover 25,575 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	1219-21	—48	1226-30	+15.5
3 months	1220-2	—49	1232-3	+12.5
Settlem't	1221	—46	—	......
Cathodes				
Cash	1175-7	—47	1178-80	+.5
3 months	1189-4	—50.5	1197-8	—5
Settlem't	1177	—47	—	——
U.S. Prod	—	......	*115.25	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £1,221, three months £1,200, 8, 5, 7, 5, 6, 7, 10, 16, 20, 22, 25, 24, 23, 20, 22, 20, 21, 23, 24, 23, 22, 20, 18, 17, 20, 21, 23, 22, 21, 20, 21. Cathodes cash £1,176. Kerb: Wirebars, three months £1,220, 25, 30, 25, 20, 24, 23, 25, 24. Afternoon: Wirebars, three months £1,240, 55, 53, 50, 48, 50, 47, 48, 45, 48, 50, 45, 43, 40, 38, 36, 37, 38, 40, 39, 38, 35, 34, 30, 31 32, 35, 33. Cathodes, three months £1,197. Kerb: Wirebars, three months £1,225, 30, 25, 30, 31, 34, 32, 30, 31, 30, 29, 30, 31, 30, 29.

TIN—Easier. The fall at Penang saw forward metal open lower at £7,450. However, the initial surge in copper caused fresh buying in the tin market and this lifted the price to £7,520 in the rings. In the afternoon forward metal moved narrowly before easing to close the late kerb at £7,480. Turnover 1,235 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7650-60	+18	7550-70	—50
3 months	7515-25	—18	7485-500	—11.3
Settlem't	7560	+10	—	......
Standard				
Cash	7650-60	+10	7550-70	—50
3 months	7510-5	—18	7485-90	—12.5
Settlem't	7560	+10	—	......
Straits E.	‡$2220	—31		......
New York	—			......

Morning: Standard, cash £7,670, 60, three months £7,500, 10, 20, 30, 20, 15, 10. Kerb: Standard, three months £7,500. Afternoon: Standard, cash £7,570, three months £7,520, 10, 7,500, 7,480, 70, 90. Kerb: Standard, three months £7,480, 90.

LEAD—Higher reflecting good physical demand from Eastern Europe, speculative buying and the strength of the copper market. Forward metal opened on the pre-market at £470 and advanced strongly to touch £508 on the afternoon kerb before closing at £506.5. Turnover 11,825 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	507 9	—8	514-6	+18
3 months	503-4	—1	506-7	+17
S'ment	509	—8	—	......
U.S. Spot	—	......	*50	......

Morning: Cash £504, 507, three months 498, 500, 01, 500, 498, 99, 500, 02, 03. Kerb: Three months £503, 04, 02, 01, 500. Afternoon: Three months £503, 05, 04, 05, 06, 07, 06. Kerb: Three months £508, 10, 11, 12, 10, 08, 09, 07, 08, 07.

ZINC—Firmer although trading was much quieter than of late. Forward metal opened higher at £364 and eased back to £362 in the morning on profit-taking prior to recovering to close the late kerb at £365.5. Turnover 2,725 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	648-9	+4.5	650-1	+11.5
3 months	652-3	+3.5	654-5	+10
S'ment	648	+4	—	......
Primw'ts	—	......	*37.5	......

Morning: Three months £361, 61.5, 62, 61.5, 62, 63. Kerb: Three months £362, 63. Afternoon: Three months £363, 64, 65, 64. Kerb: Three months £364, 65.

ALUMINIUM—Moved ahead following the price increase announced by British Aluminium. After opening at £903 forward metal moved up gradually to touch £920 before ending the late kerb at £919.5. Turnover 8,775 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Spot	900-2	—5	912-4	+13
3 months	902-3	—3.5	919-20	+25

Morning: Three months £903, 04, 03, 02. Kerb: Three months £903. Afternoon: Cash £912, three months £910, 11, 12, 13, 14, 13, 15, 18, 20, 18, 18. Kerb: Three months £918, 19.

NICKEL—Strong along with other metals and continuing to reflect rumours of a possible producer price increase. Forward metal traded from £3,070 up to £3,120 and back down to £3,100. However, in the afternoon good buying from one quarter lifted forward metal to the day's high of £3,180 prior to a close on the late kerb of £3,150. Turnover 588 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
Spot	2990-3010	+30	3030-40	+60
3 months	3110-5	+45	3145-50	+77.5

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

Morning: Three months £3,100, 20, 10, 05, 3,100, 05, 20, 15. Close £3,100, 10. Afternoon: Three months £3,140, 50, 60, 45, 40, 45, 50. Kerb: Three months £3,140, 45, 50, 40, 50.

SILVER

Silver was fixed £1.295 an ounce lower for spot delivery in the London bullion market yesterday at £16.92t. U.S. cent equivalents of the fixing levels were: spot $38.478, down $3.072; three-month $38.428, down $2.941; six-month $38.218, down $3.313; and 12-month $38.153, down $3.828. The metal opened at £15-16.35 ($34-37) and closed at £15.75-17.10 ($36-39).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	1599.10p	—119	1700p	+80
3 months	1708.10p	—137	1665p	+55
6 months	1597.10p	—142	—	......
12months	1708.10p	—187	—	——

LME—Turnover 322 (427) lots of 10,000 ozs. Morning: Three months 1,670, 80, 80, 1,700, 10, 05, 20, 30, 45, 50, 55, 70, 75, 80, 90. Kerbs: Three months 1,790, 1,800, 10, 20, 15, close 1,810, 20. Afternoon: Three months 1,810, 1,800, 1,780, 1,800, 1,790, 50, 40, 1,700, 1,680. Kerbs: Three months 1,660, 80, 60, 1,700, 1,670, 1,700, 1,680, close 1,680, 1,700.

COCOA

Although volume was again relatively light futures firmed today and at the close had improved to £15 above Tuesday evening. Physicals were again active and both cocoa beans and products found good interest with consumers although producers remained sidelined, reported Gill and Duffus.

COCOA	Yesterd'ys Close	+ or —	Business Done
March	1449-51	+17.5	1455-37
May	1445-48	+15.0	1450-39
July	1455-59	+14.0	1461-49
Sep	1475-80	+14.6	1472
Dec	1506-09	+11.0	1510-05
March	1530-40	+20.9	1525-20
May	1555-65	+22.5	—

Sales: 3,174 (1,258) lots of 10 tonnes.

International Cocoa Organisation (U.S. cents per pound): Daily price Jan. 22: 141.61 (142.68); Indicator price Jan. 23: 15-day average 143.01 (143.03); 22-day average 143.93 (144.24).

COFFEE

Robustas continued the recent downward trend following another decline to the four-cent limit in New York, and losses ranged between £19 and £25 on the opening call, reports Drexel Burnham Lambert. Further weakness in the afternoon was prompted by an easier New York performance and yet another move by Colombia to lower the resale price to private exporters aided the decline.

COFFEE	Yesterdays Close	+ or —	Business Done
	£ per tonne		
January	1448-50	—54.0	1475-49
March	1480-81	—41.0	1519-78
May	1488-89	—48.0	1510-1465
July	1518-15	—49.0	1540-09
Sept	1520-23	—48.5	1545-20
Nov	1600-29	—40.5	1530
January	1610-39	—39.0	—

Sales: 7,388 (3,331) lots of 5 tonnes. ICO indicator prices for Jan. 22 (cents per pound). Other Mild Arabicas 183.33 (188.33). Robusta ICA 1976 181.75 (183.50). ICA 1968 182.00 (183.75). Unwashed Arabicas 213.00 (same). Comp. daily ICA 1968 182.06 (184.31).

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order buyer, seller, business, sales). Australian cents per pound. Micron contract: March 456.0, 457.0, 470.0-455.0, 167; May 498.0, 499.0, 499.0-488.0, 431; July 511.0, 515.0, 517.0-501.0, 762; Oct. 511.0, 513.0, 515.0-502.0, 197; Dec. 510.0, 515.0, 513.0-501.0, 190; March 506.0, 509.0, 510.0-500.0, 76; May 506.0, 509.0, 510.0-500.0, 23; July 505.0, 510.0, 515.0-500.0, 31. Sales: 1,977.

LONDON NEW ZEALAND CROSSBREDS—Close (in order buyer, seller, business, sales). New Zealand cents per kilo). May 392, 398, 395-390, 11; Aug. 402, 406, 406-400, 15; Oct. 402,

GRAINS

LONDON GRAIN FUTURES—Grains opened 10p lower on old crops and unchanged on new. The market was generally quiet today and values eased on commercial selling to close 40-45p down on old crops, 35p lower on new crop wheat and 25-40p down on new crop barley, reported Acli.

Mnth	WHEAT Yest'rdays close	+ or —	BARLEY Yest'rday close	+ or —
Jan				
Mar.	99.30	—0.40	95.50	—0.40
May	103.45	—0.50	100.95	—0.45
Sept	98.85	—0.55	95.70	—0.40
Nov	100.45	—0.50	97.35	—0.85

Business done—Wheat: March 99.45-99.25, May 103.75-103.50, Sept. 97.10-96.85, Nov. 100.70-100.55. Sales: 178 lots of 100 tonnes. Barley: March 96.50-95.30, May 100.45-100.25, Sept. 94.00-93.70, Nov. 97.50-97.35. Sales: 143 lots of 100 tonnes.

IMPORTED—Wheat: CWRS No. 1 13½ per cent unquoted. U.S. Dark Northern Spring No. 2 14 per cent, Jan. 98.50, Feb. 101.50, March 102.50 transhipment East Coast. U.S. Hard Winter 13½ per cent, Feb. 94, March 95 transhipment East Coast. Maize: U.S./French, Jan. 117, Feb. 117.75 transhipment East Coast. Barley: English Feed fob, Jan. 98.00, Feb. 100.00 East Coast. Rest unquoted.

HGCA—Locational ex-farm spot prices. Feed barley: Eastern 95.80, N. East 93.00, Scotland 92.90. Milling wheat: N. East 98.50.

The UK Monetary Coefficient for the week beginning Monday, January 28 (based on HGCA calculations using days exchange rates) is expected to decrease to 1.055.

RUBBER

The London physical market opened easier, was steady throughout the day on good speculative demand, and closed on a quiet note. Lewis and Peat reported a Malaysian godown price of 348 nom. (365 nom.) cents a kg (buyer, February).

No. 1 R.S.S.	Yest'rdays Close	Previous Close	Business Done
Feb	51.00-52.50	—	50.50-50.40
Mar	53.00-55.85	50.75-51.40	53.00-52.85
Apr-Jne	54.75-54.99	52.50-52.95	55.00-53.50
Jly-Sept	56.20-56.25	53.50-53.79	57.00-52.00
Oct-Dec	57.35-57.65	54.90-55.00	59.50-54.90
Jan-Mar	58.60-58.70	56.00-56.75	59.50-57.50
Apr-Jne	59.80-59.89	57.10-57.70	60.00-59.45
Jly-Sept	60.70-62.00	59.20-59.30	—
Oct-Dec	62.00-62.30	60.20-62.00	62.20-62.00

Sales: 1,033 (1,311) at 15 tonnes; 38 (same) at 5 tonnes.

Physical closing prices (buyer) were: Spot 81.50p (80.50p nom.); Feb. 78.00p (77.00p nom.); March 79.50p (78.00p nom.).

SOYABEAN MEAL

The London market opened with gains of around £1.00 on light trade buying, reports T. G. Roddick. Prices held steady in two-way trading until late in session when the market firmed on news of President Carter's tougher line on Middle East causing a short-covering rally.

	Yest'rd'y Close	+ or —	Business Done
	£ per tonne		
February	124.40-24.5	+2.46	124.50-25.00
April	119.50-19.5	+2.60	119.50-17.00
June	117.00-17.4	+1.90	117.30-16.00
August	116.10-16.3	+1.90	—
October	115.50-15.9	+1.25	115.00
December	117.50-18.1	+1.15	—
February	121.00-21.7	+1.40	121.00

Sales: 95 (82) lots of 100 tonnes.

COTTON

LIVERPOOL—Spot and shipment sales amounted to 195 tonnes, bringing the total for the week so far to 488 tonnes. Occasional replenishment orders were undertaken with better support in North American styles. The high cost of raw material deterred some customers from operating more extensively.

SUGAR

LONDON DAILY PRICE (raw sugar): £203.00 (£193.00) a tonne cif for Jan.-Feb.-March shipment. White sugar daily price was £206.00 (£198.00).

Sentiment was encouraged after some 340,000 tons had been posted in New York last night and despite a bout of profit taking prices soon moved ahead. New York opened limit-up bid and the market closed with all positions at new life-of-contract highs, with a record volume of business, reports C. Czarnikow.

Sugar Pref. Comm. Con.	Yest'rdays Close	Previous Close	Business Done
	£ per tonne		
March	215.00-215.9	198.50-97.00	215.75-197.8
May	216.25-215.5	198.50-99.00	215.25-198.9
Aug	216.85-217.0	200.00-00.25	217.50-200.8
Oct	217.35-17.45	200.75-01.00	217.75-200.7

Sales: 13,026 (7,808) lots of 50 tonnes.

NUMBER 4 CONTRACT—Close (in order buyer, seller only). May 214.00, 214.50; Aug. 215.75, 216.50; Oct. 215.00, 215.50; Jan. 213.25, 214.00; March 216.50, 217.50; May 215.50, 217.00. Sales: 923 (167).

LONDON WHITE SUGAR—Close (in order buyer, seller, business, sales). April 208.00, 212.00, 209.00-207.00, 10; July 210.00, 218.00, 214.00-208.00, 60; Sept. 213.00, 220.00, nil, nil; Nov. 213.00, 222.00, 220.00, 75; Feb. 215.00, 220.00, 225.00-220.00, 64; April 215.00, 225.00, nil, nil; July 215.00, 225.00, nil, nil. Sales 209.

Tate and Lyle ex-refinery price for granulated basis white sugar was £316.70 (same) a tonne for home trade and £277.00 (£268.50) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for January 22: Daily price 18.37 (18.25); 15-day average 16.11 (15.91).

PRICE CHANGES

In tonnes unless otherwise stated.

	Jan. 23 1980	+ or —	Month ago
Metals			
Aluminium	£770/918	......	£760/70
Free Mkt (cs)	$1850/1860	......	$1750/15
Copper			
Cash w'bar	£1,228	+13.5	£1004.5
3 mths	£1,232.5	+12.5	£1015.5
Cash Cathode	£1,178	+0.5	£982
3 mths	£1,197.5	—0.5	£998
Gold troy oz	$700	—10	$511
Lead cash	£515	+18	£585.5
3 mths	£506.5	+17	£512.5
Nickel	£3,185.75	......	£3,260.17
Freemkt(c)(lb)	300/320c	......	270/310c
Platin'mtr'y oz	£189.0	......	£195
Free mkt	£375.75	+7.35	£311.45
Quicksilver	$400/410	—5	$375/380
Silver troy oz	1592.10p	—129.5	1235p
3 months	1708.10p	—137.8	1270p
Tin Cash	£7,565	—50	£7,470
3 mths	£7,492.5	—12.5	£7,280
Tungsten 22.04lb	$158	......	$157.75
Wolfrm 22.04 lb	$140/144	......	$129.5/134
Zinc cash	£360.5	+11.5	£336
3 months	£364.5	+10	£347.25
Producers	$780/825	......	$760
Oils			
Coconut (Phil)	$980r	......	$680
Groundnut	‡	......	‡
Linseed Crude	‡	......	£395
Palm Malayan	$595s	......	$556
Seeds			
Copra Philip	$600r	—10	$576
Soyabean (U.S.)	$282.25w	—2	$290.80
Grains			
Barley Futures	£100.95	—0.45	£97.05
Maize			
French No3AM	£117r	......	£120
Wheat			
No. 1 Red Spg	‡	......	‡
No2HardWint	£94r	......	£108.50
Eng. Milling	‡	......	‡
Other commodities			
Cocoa ship't	£1,511	+18	£1,569
Future May	£1,445.5	+16	£1,580.5
Coffee Ft'r Mar	£1,480.5	—41	£1,885
Cotton A Index	81.45c	+1.15	82.95c
Rubber (kilo)	81.50p	+1	65.50p
Sugar (Raw)	£203	+10	£182
Woolt'ps 64s kl	284p kilo	......	276p kilo

r Jan.-Feb. s Feb. v Feb.-March. t March-April. u April. w May. z Indicator. § Buyer.

AMERICAN MARKETS

NEW YORK, January 23.

THE MARKETS continued extremely nervous and highly erratic behaviour was the order of the day. Silver and gold were limit down except for spot months, which settled for modest declines. Copper ranged from sharply lower to sharply higher, eventually finishing near limit down. Sugar closed at limit to near-limit up on strong speculative buying. The livestock complex suffered a moderate setback on local and commission house selling. Grains and soyabeans finished higher across the board on a late rally with heavy commercial buying. Heavy selling in coffee continued as Columbia further reduced her export prices. Cocoa recovered moderately on light trade inquiry. Cotton made a major upward move, but finished with fair gains after some late profit-taking, reported Heinold.

Copper—Jan. 118.50 (119.50), Feb. 119.80 (128.10), March 120.00-121.00, May 121.00-121.50, July 122.50-123.50, Sept. 123.00, Dec. 124.30-125.00, Jan. 124.70, March 125.20, May 125.80, July 135.80, Sept. 127.70. Sales: 11,000.

Potatoes (round whites)—March 80.8-81.1 (80.2), April 87.0 (85.0), May 76.5-77.2, Nov. —. Sales: 876.

¶Silver—Jan. 3850.0-3800.0 (3400.0), Feb. 3900.0 (4000.0), March 3950.0, May 4000.0, July 4040.0, Sept. 4080.0, Dec. 4137.0, Jan. 4156.5, March 4193.5, May 4230.5, July 4267.5, Sept. 4304.5. Sales: 6,000. Handy and Harman bullion spot 3425.00 (3600.00).

Tin—790.00-815.00 asked (799.00-815.00).

CHICAGO, January 23.

Lard—Chicago loose 21.25 (same). New York prime steam unavailable.

Live Cattle—Feb. 63.45-63.55 (64.45), April 66.65-66.55 (67.20), June 69.30-69.10, Aug. 68.00-68.95, Oct. 68.20-68.15, Dec. 69.40-69.20, Jan. —, Feb. —.

Live Hogs—Feb. 40.65-40.52 (41.10), April 39.70-39.60 (40.22), June 42.75-42.80, July 43.70-43.65, Aug. 43.00-42.85, Oct. 42.00, Dec. 43.85, Feb. 45.97, April 45.70.

‡‡Maize—March 274¾-275 (270½), May 287½-288 (283¾), July 296¼-296½, Sept. 303¾, Dec. 312¼-312¾, March 324-324½.

Pork Bellies—Feb. 41.55-41.35 (41.95), March 42.35-42.00 (42.80), May 44.00-43.75, July 45.80, Aug. 45.35-45.25, Feb. 52.60, March —, May —, July —, Aug. —.

Silver—Jan. 3800.0-3800.0 (3350.0), Feb. 3905.0 (4025.0), March 3937.0, April 3972.0, June 4019.0, Aug. 4063.0, Oct. 4110.0, Dec. 4155.0, Feb. 4195.0, April 4240.0, June 4285.0, Aug. 4330.0, Oct. 4375.0, Dec. 4420.0, Feb. 4465.0, April 4517.2, June 4555.9, Aug. 4596.5.

‡Soyabeans—March 672-672½ (658½), May 694-695 (681½), July 714-714½, Aug. 723, Sept. 728½, Nov. 739-740, Jan. 767, March 775½.

‖Soyabean Meal—March 189.20-188.80 (185.90), May 193.00-192.80 (189.70), July 197.80-197.60, Aug. 199.50, Sept. 202.00, Oct. 204.00-204.30, Dec. 207.00-208.80, Jan. 207.50-208.00, March 211.00-212.00, May —.

Soyabean Oil—March 24.00-23.95 (23.69), May 24.37-24.35 (24.09), July 24.80-24.75, Aug. 25.00, Sept. 25.20, Oct. 25.45, Dec. 25.80-25.85, Jan. 25.85-25.90, March 26.15-26.20, May —.

‡Wheat—457½-458½ (450¾), May 484½-483½ (458¾), July 470-468½, Sept. 481, Dec. 498, March 518.

WINNIPEG, January 23. §Barley—March 118.90 (117.90), May 117.90 (117.15), July 116.00, Oct. 110.90.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 239.00 (same).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq. feet. ‡ Cents per dozen.

EUROPEAN MARKETS

ROTTERDAM, Jan. 23.

Wheat—U.S. No Two Dark Hard Winter wheat 13.5 per cent Feb. $194, March $196. U.S. Hard Winter wheat ordinary unquoted. U.S. No Two Red Winter wheat Feb. $197, Mar. $199. U.S. No Two Northern Spring wheat 14 per cent Feb. $208, Mar. $211, April/May $200, May/June $200, June/July $200.

Maize—U.S. No Three Corn Yellow AFL $131, Jan. $128, Feb. $127.50, Mar. $130, April/June $136.50, July/Sept. $140.50, Oct./Dec. $143.50.

Soyabeans—U.S. Two Yellow Gulfports AFL $286, Feb. $286, Mar. $289, April $275.50, May $278, June $283.50, July 288, Aug. $290, Sept. $292.75, Oct. $293.50, Nov. $293.50, Dec. $299.30, Jan. $303.25. Brazil Yellow FAQ unquoted. Argentine unquoted.

Soyameal—44 per cent protein U.S. AFL $252, Jan. $251, Feb. $246, March $245, April/Sept. $244.50. Brazil Pellets AFL $267, March $254.25, April/May $247, April/Sept. $252.

PARIS, Jan. 23.

Cocoa (FFr per 100 kilos). Mar. 1320/25, May 1310/20, July 1300, Sept. 1325, Dec. 1345/60, Mar. 1355/70. Sales at call nil.

Sugar (FFr per 100 kilos). Mar. 1810/17, May 1938/39, July 1935/55, Aug. 1945/48, Oct. 1950/55, Nov. 1945/65, Dec. 1955/80, Mar. 1960/95. Sales at call 17.

INDICES

FINANCIAL TIMES

Jan. 22	Jan 21	M'nth ago	Year ago
301.63	305.55	closed	266.66

(Base: July 1, 1952=100)

MOODY'S

Jan. 22	Jan. 21	M'nth ago	Year ago
1414.7	1159.5	1255.1	1994.7

(December 31, 1931=100)

DOW JONES

Dow Jones	Jan. 29	Jan. 21	Month ago	Year ago
Spot	469.80	428.04	498.44	676.50
F'tur's	458.15	465.60	427.40	379.76

(Average 1924-25-26=100)

REUTERS

Jan. 23	Jan. 22	M'nth ago	Year ago
1769.8	1767.6	closed	1509.7

(Base: September 18, 1931=100)

GRIMSBY FISH—Supply fair, demand moderate. Prices at ship's side (unprocessed) per stone: Shelf cod £3.80-£4.50, codlings £2.50-£3.50. Large haddock £4.10-£4.70, medium £4.00-£4.70, small £2.20-2.80. Large plaice 4.00, medium £3.40-£3.60, best small £3.00-£3.50. Skinned dogfish, medium £8.00. Saithe £4.50.

★

HIDES—Leeds: Market weaker. Second clears. Ox 31/35.5 kilos, 47.0p a kilo (52.0p a kilo); 26/30.5 kilos 56.5p (60.5p); 22/25.5 kilos 63.0p a kilow withdrawn (71.1p). Light cows 60.0p withdrawn (71.0p).

MEAT/VEGETABLES

SMITHFIELD—pence per pound. Beef: Scotch killed sides 64.0 to 68.0; Eire hindquarters 70.0 to 74.0, forequarters 47.0 to 49.9. Lamb: English small 94.0 to 84.0, medium 48.0 to 58.0, heavy 38.0 to 52.0; Scotch medium 46.0 to 58.0, heavy 36.9 to 53.0; Imported frozen: NZ PL New Season 50.0 to 51.0, NZ PM New Season 48.0 to 49.0. Pork: English, under 100 lbs 38.0 to 50.9, 100-120 lbs 39.0 to 49.0, 120-160 lbs 37.0 to 48.0.

MEAT COMMISSION—Average fatstock prices at representative markets on: Jan. 23. GB—Cattle 80.21p per kglw (—0.11). UK—Sheep 137.6p per kgestdcw (+2.8). GB—Pigs 67.4p per kglw (+0.3).

COMPANY NOTICES

NOTICE TO WARRANT HOLDERS

REDLAND LIMITED

Adjustment of subscription rights of warrants to subscribe for Ordinary shares of 25p each.

Following the issue on 11th January, 1980 by way of capitalisation of reserves, of one new Ordinary share of 25p credited as fully paid for every four Ordinary shares of 25p each fully paid the subscription rights of the warrants issued with the Redland Finance NV US$25,000,000 Guaranteed Bonds due 1991 have been adjusted in accordance with the terms applying to the warrants and warrantholders now have the right to apply £178 per warrant in subscribing for Ordinary shares of Redland at a subscription price of 140p per Ordinary share. No fraction of an Ordinary share will be issued on the exercise of the warrants but warrants may be aggregated before calculating any residual fraction. Thus effectively each warrant now entitles the holder to subscribe for 125.71 shares at 140p.

The subscription rights may be exercised at any time during the period commencing on 15th March, 1980 and expiring on 15th March, 1991.

CHASE MANHATTAN BANK LUXEMBOURG S.A. Depositary.

January, 1980.

AMBROSE WILSON, LIMITED

NOTICE IS HEREBY GIVEN that the Transfer Books in respect of the 3.85% (Tax Imputed) Cumulative Preference Shares in Ambrose Wilson, Limited will be closed from 1st February, 1980 to 14th February, 1980 inclusive, for the preparation of Dividend Warrants.

By Order of the Board, J. MARTIN, Secretary.

Ambrose House, 53, Dale Street, Manchester M60 1UH.

PUBLIC NOTICES

AVON CORPORATION BILLS

£3,000,000 Bills issued 23rd January, 1980, at 15 51/64% to mature 23rd April, 1980. Applications £24,000,000. None outstanding.

CORPORATION BILLS

£1.0m Clwyd Bills issued 22nd January at 15¹³⁄₁₆% to mature 22nd April. Applications £5.5m. Outstanding £3.0m.

£6.0m Strathclyde Bills issued 23rd January at 15²⁵⁄₃₂% to mature 23rd April. Applications £51.5m. Outstanding £24.0m.

£2.0m Fife Bills issued 23rd January at 15²⁵⁄₃₂% to mature 23rd April. Applications £21.8m. Outstanding £4.0m.

KNOWSLEY CORPORATION BILLS

£1,000,000 Bills issued 23rd January 1980, at 15-51/64% to mature 23rd April, 1980. Applications £8,500,000. Outstanding £2,000,000.

METROPOLITAN BOROUGH OF BURY

£2 million Bills issued 23rd January 1980 due 23rd April 1980 at 15.798875 per cent. Applications £14½ million. These are the only Bills outstanding.

NORTHAMPTONSHIRE CORPORATION BILLS

£19,000,000 Bills issued 23rd January, 1980, at 15-51/64% to mature 23rd April, 1980. Applications £82,500,000. None outstanding.

EDUCATIONAL

TRAVEL

LONDON STOCK EXCHANGE

Gold price gyrations and Gilt-edged firmness dominate
Long tap stock may run out in first-time dealings

Account Dealing Dates
Options

*First Dealings	Declarations	Last Dealings	Account Day
Jan. 14	Jan. 24	Jan. 25	Feb. 4
Jan. 28	Feb. 7	Feb. 8	Feb. 18
Feb. 11	Feb. 21	Feb. 22	Mar. 3
Feb. 18	Feb. 29	Feb. 29	Jun. 9

* "New time" dealings may take place from 9.30 am two business days earlier.

The two main talking points in stock markets yesterday were the further gyrations in the gold price—down to $590 an ounce before rallying strongly to $745 and settling $10 up at $700—and the composure in Gilt-edged, the latter despite surprise that the longer of this week's tap stock offerings had not been oversubscribed at application.

Gold's early plunge exerted fresh pressure on South African producers of the metal, which soon registered further losses extending to £3. As the bullion price recovered, however, falls in Gold shares were reduced to more modest proportions and finally ranged to £1 among heavyweight stocks.

Some disappointment with the response to the new long tap stock, Treasury 12¼ per cent "A" 2003-05, had only a momentary impact and the market edged forward in anticipation of sufficient demand to exhaust the authorities' remaining supply of the issue when dealings begin today. With quotations still moving higher after the official close yesterday, the new tap was looking extremely cheap in relation to existing stocks in the area.

Prospects for today's first-time dealings in the shorter issue, Exchequer 13¼ per cent 1983, began to brighten considerably as this end of the market moved up, too, and the Government broker could be called upon to supply stock today at a level in excess of yesterday's tender price of £96¼, £60-paid.

A wave of speculation about a conciliatory move in the steel dispute encouraged another broad advance in the after-hours' trade which took longer-dated Gilts up about ⅜ for overall gains of nearly a point, while leading shares improved by several pence on earlier lower levels.

For much of the day, the equity sections had been content to note the events elsewhere. Apart from a few institutional orders for selective stocks, business was spasmodic and much reduced by recent standards. The overall trend was lower as depicted by a fall of 3.8 in the FT 30-share index at 10.00 am and one of 1.8 at 3.00 pm; at the final calculation, however, the index was showing a net rise of 1.0 at 450.8.

Union Discount up

The expiry of the January series boosted activity in Traded Options and 1,937 contracts were completed. Business was well distributed among those in issue, with Land Securities, 400 trades, and Cons. Gold Fields, 240, being particularly active.

Standing easier at around 380p in front of the preliminary results, Union Discount rallied to close 5 better on balance at 390p following the announcement. Other Discounts improved in sympathy with Gerrard and National closing 6 higher at 232p and Allen Harvey and Ross 5 up at 340p. Quietly dull conditions prevailed in home banks where Barclays dipped 6 to 422p as did Lloyds, to 302p, and NatWest, to 352p. Elsewhere, Standard and Chartered fell 8 to 490p, the level at which Midland disposed of its remaining 3.74m shares in the group on Tuesday; the latter closed 3 down at 355p. In merchant banks, Kleinwort Benson edged forward a couple of pence to 142p in response to Press comment, but Keyser Ullmann came on offer at 66p, down 3.

Breweries continued to ease, although a useful level of late support left prices above the day's lowest. Whitbread eased 3 to 139p, after 138p, while Bass closed unchanged at 206p, after 204p. Wines and Spirits displayed an irregular appearance with Distillers shedding 3 to 211p. Highland, on the other hand, rose 7 to 145p on speculative buying fuelled by Press reports of a pending second defence to the Hiram Walker offer. Amalgamated Distilled Products added a couple of pence to 50p following the pleasing first-half statement.

Suspended on Monday at 55½p, dealings in Armitage Shanks resumed at 84p and closed at 95p which compares with the share exchange offer worth 90p from Blue Circle, 4 better at 270p, after 258p; Ceramics Investment BV announced yesterday that it had increased its holding in Armitage from 21.2 per cent to 23.51 per cent following purchases through the market at various prices ranging from 89p to 90½p. Other Building issues, steady during the house session, took a firmer line in after-hours' dealings. Taylor Woodrow reversed an early fall of a couple of pence to close 3 higher on balance at 336p, while London Brick rallied to the overnight level of 67p, after 66p.

In Chemicals, ICI firmed 4 to 374p and Fisons added 5 to 287p, but Hickson and Welch, still reflecting the chairman's annual statement, shed 5 for a two-day fall of 12 to 160p. Recently firm Coalite encountered profit-taking and eased 4 to 96p.

Foster Bros. down

Stores were featured by a fall of 6 to 86p in Foster Bros. on adverse comment. Profit-taking following the increased annual profits and proposed one-for-three scrip-issue left Bakers Household a couple of pence down at 99p, while Cope Sportswear fell 4 to 30p after cautious comment. B. and Q. Retail also gave up 4, to 82p, and R. and J. Pullmann relinquished 3 to 45p. By way of contrast, James Beattie "A" put on 6 to 149p, while, after the previous day's fall of 5, MFI Furniture picked up 3 to 81p following comment on the interim results. The leaders were notable for a late burst of speculative interest in House of Fraser which closed 4 to the good at 141p, still on vague rumours about Lonrho's near-30 per cent stake.

Down to 348p in the early dealings, GEC rallied to finish a penny harder on balance at 354p. Racal followed a similar trend and closed a few pence dearer at 210p, after 206p. Outside of the Electrical leaders, Muirhead, up 4 at 230p, became a steadier market after the recent bout of selling in front of today's preliminary figures. Renewed support left United Scientific 10 up at 412p. In contrast, Kode closed 3 cheaper at 213p, while STC, 244p, and BICC, 100p, lost 4 and 2 respectively.

The Engineering leaders passed a quiet session and movements were restricted to a few pence either way. Awaiting tomorrow's interim figures, John Brown held steady at 654p. Elsewhere, revived speculative demand lifted CompAir 7 to 78p, while speculative support was also responsible for a similar gain in British Northrop, at 32p. Buyers showed interest in Expanded Metal which rose 6 to 80p.

Activity in Foods increased in late dealings, but price movements among the leaders rarely exceeded a couple of pence. British Sugar slipped to 126p before settling a penny cheaper on balance at 128p. Joseph Stocks were notable for a gain of 7 to 84p on demand in a thin market.

Sotherbys good again

Sotheby's stood out among miscellaneous industrials, rising 30 for a three-day gain of 65 to 475p on U.S. demand in the wake of the chairman's encouraging annual review. Christies International put on 7 to 159p in sympathy. Denbyware fell 10 to 105p on the sharp setback in first-half earnings, while Gieves at 105p, lost 5 of the recent good rise. Fading bid hopes left Extel down a further 6 to 167p and National Carbonising dipped 4 to 118p, still reflecting the possibility that the company might bid for Weeks Petroleum. Up 7 the previous day on talk of a bid from Lex Service, United Carriers declined 4 to 151p. The leaders closed mixed; Metal Box ended 6 down at 254p and Rank Organisation 3 lower at 188p; the latter's preliminary results are due today, but Glaxo improved 5 to 480p and Boots hardened 2 to 183p.

Management Agency and Music shed 3 to 116p following the chairman's annual statement. Elsewhere in the Leisure sector, Horizon Travel eased 5 to 222p on profit-taking, while Zetters gave up another 3 to 57p following the interim statement.

Scattered support was seen for Motors. Among Distributors, Henlys announced the expected downturn in annual profits but closed 3 higher at 95p in recognition of the maintained dividend. Lookers, also reporting preliminary figures, firmed a penny to 49p. Appleyard attracted fresh speculative demand and ended 5 up at 74p, while gains of around 3 were common to Godfrey Davis, 126p, and Harold Perry, 143p. Elsewhere, Flight Refuelling returned to favour and, at 207p, recovered half of Tuesday's fall of 10, while support was also forthcoming for Lucas, 4 up at 254p.

Easier at first, Properties picked up to close a shade firmer on balance. Land Securities, 278p, and MEPC, 178p, both ended with modest gains, while late interest lifted British Land 1½ to 65½p. Buyers were showing interest in selected secondary issues; Greycoat Estates added 3 to 113p in a thin market and Greencoat firmed a penny to 12½p. The higher interim profits and forecast of an increased final dividend lifted Regional A 2 to 104p.

Aran react

Trading in secondary Oils was reasonably brisk, but interest in the leaders remained at a fairly low ebb. Aran Energy, a particularly good market of late, succumbed to profit-taking and reacted 16 to 344p, but fresh speculative demand lifted Siebens (UK) 12 to 576p. Clyde lost 11 to 315p and British Borneo 8 to 296p, while falls of around 6 were marked against CCP North Sea, 256p, and Tricentrol, 266p. Viking gave up 10 to 655p. On the other hand, Gas and Oil Acreage firmed 5 more to 345p helped by news that Yule Catto had increased its stake to 16.6 per cent. British Petroleum fluctuated narrowly before closing 6 cheaper at 342p, but Shell ended 4 to the good at 328p.

A buoyant sector of late, Rubbers eased on profit-taking.

Wild swings in Golds

The huge swings in the bullion price led to equally erratic movements in South African Golds.

Share prices were marked down heavily at the opening when gold was trading around $585 an ounce but with various rumours doing the rounds the bullion price lifted dramatically to touch $745 during the afternoon before closing $10 up on balance at $700.

Consequently, share prices staged a strong recovery from the lows but were still showing sizeable losses at the close. The Gold Mines Index gave up 7.0 to 311.6 for a fall of 48.8 over the last three days.

Among the heavyweights, Western Holdings closed a point lower at £25, West Driefontein gave up ½ at £34, while falls of ⅜ were common to Hartebeest and Southvaal at £24⅜ and £10¼ respectively.

Cheaper-priced issues showed Deelkraal 39 down at 202p, Welkom 31 off at 572p and South African Land 21 easier at 286p.

Financials remained volatile throughout the day. Among the South African stocks, Anglo American Corporation rallied from 585p to close 5 cheaper on balance at 600p, while "Johnnies" finished a point off at £27, after £26. De Beers gave up 9 to 455p, after 446p.

London Financials showed a similar pattern. Gold Fields recovered from 433p to close unaltered on the day at 442p while Rio Tinto-Zinc ended 4 off at 378p, after 372p. Selection Trust had an initial fall of 24 pared to one of 14 at the close of 630p.

A heavy turnover was reported in Platinums. Rustenburg featured with a net rise of 5 to 263p, after 245p, while Impala ended 7 down at 263p, after 245p.

Australians were showing signs of rallying in the after-hours' trade after suffering heavy losses at the outset along with other mining issues.

Leading base-metal producers showed falls of 10 common to BH South, 210p, Peko-Wallsend, 410p, and Western Mining, 212p, the last named despite the discovery of further significant mineralisation at the Olympic Dam prospect in South Australia.

Elsewhere, Rhodesia's MTD Mangula held steady at 115p following the chairman's remarks at the annual meeting that the company expects higher profits in the current year.

LONDON TRADED OPTIONS

Option	Ex'rcise price	January Closing offer	January Vol.	April Closing offer	April Vol.	July Closing offer	July Vol.	Equity close
BP	325	17	—	32	4	—	—	341p
BP	350	¼	3	23	—	—	—	"
BP	375	¼	81	13	5	—	—	"
BP	400	¼	128	9	4	18	—	"
Com. Union	140	5	19	14	—	12	—	148p
Com. Union	160	¼	32	3	—	—	—	"
Com. Union	180	¼	7	—	—	186	—	"
Cons. Gold	280	162	1	175	—	145	9	441p
Cons. Gold	330	112	1	199	—	122	3	"
Cons. Gold	360	82	—	105	—	102	—	"
Cons. Gold	390	58	—	79	7	84	9	"
Cons. Gold	420	22	10	61	8	63	10	"
Cons. Gold	460	½	135	41	48	43	—	"
Cons. Gold	500	—	—	24	15	8	—	"
Courtaulds	80	¼	11	6½	1	4	—	75p
Courtaulds	90	¼	93	3	—	—	—	"
Courtaulds	100	¼	7	—	—	—	—	"
Courtaulds	110	¼	3	—	—	—	—	"
Courtaulds	120	¼	20	—	—	—	—	"
GEC	300	55	1	—	—	—	—	353p
GEC	330	25	—	60	—	65	1	"
GEC	360	1	6	30	6	45	1	"
GEC	390	¼	117	15	20	31	—	"
GEC	420	¼	11	7	—	—	—	"
GEC	460	¼	20	—	—	—	—	"
Grand Met.	120	0	4	—	—	—	—	136p
Grand Met.	130	—	—	16	26	22	—	"
Grand Met.	138	½	10	—	—	—	—	"
Grand Met.	158	½	38	—	—	—	—	"
Grand Met.	160	—	—	4	—	8½	6	"
Grand Met.	178	½	5	—	—	—	—	"
ICI	330	44	4	48	—	62	—	372p
ICI	360	14	12	23	18	41	—	"
ICI	390	¼	62	11	—	28	—	"
ICI	420	¼	30	—	—	—	—	"
Land Secs.	280	¼	247	25	—	33	6	279p
Land Secs.	300	¼	113	14	25	23	—	"
Land Secs.	330	¼	7	6	—	13	—	"
Marks & Sp.	80	10	—	14½	11	18	5	89p
Marks & Sp.	90	¼	7	8½	—	12	—	"
Marks & Sp.	100	¼	41	4½	8	7½	4	"
Marks & Sp.	110	¼	18	2½	—	4½	—	"
Marks & Sp.	120	¼	30	2	—	—	—	"
Marks & Sp.	130	¼	12	—	—	—	—	"
Shell	325	1	6	—	—	—	—	393p
Shell	330	—	—	22	10	32	—	"
Shell	350	—	40	—	—	—	—	"
Shell	375	—	15	—	—	—	—	"
Shell	400	—	67	—	—	—	—	"
Totals			1,468		212		33	

Option	Ex'rcise price	February Closing offer	February Vol.	May Closing offer	May Vol.	August Closing offer	August Vol.	Equity close
Boots	180	10	—	18	5	98	—	182p
Boots	200	2½	—	10	6	—	—	"
Imperial Gp.	80	1½	—	3½	3	6½	—	77p
Racal Elec.	180	37	—	48	5	54	—	211p
Racal Elec.	220	7½	21	21	20	31	—	"
RTZ	330	55	13	78	—	90	1	377p
RTZ	360	30	34	53	12	72	43	"
RTZ	390	17	34	38	20	56	4	"
RTZ	420	9	1	24	2	38	—	"
Totals			100		74		50	

FINANCIAL TIMES STOCK INDICES

—	Jan. 23	Jan. 22	Jan. 21	Jan. 18	Jan. 17	Jan. 16	A year ago
Government Secs.	68.93	68.75	69.26	68.53	68.30	[illegible]	[illegible]
Fixed Interest	69.41	69.42	69.61	68.98	68.80	[illegible]	[illegible]
Industrial	450.8	449.8	467.7	459.8	450.9	[illegible]	461.0
Gold Mines	311.6	318.6	362.5	360.4	339.0	[illegible]	176.8
Ord. Div. Yield	7.51	7.27	7.15	7.14	7.29	[illegible]	6.30
Earnings, Yld. % (full)	18.02	18.07	17.77	17.72	18.02	[illegible]	[illegible]
P/E Ratio (net) (*)	6.02	6.80	6.91	6.93	6.82	[illegible]	[illegible]
Total bargains	23,515	24,657	26,711	29,778	26,215	[illegible]	—
Equity turnover £m	—	173.30	155.68	181.57	139.97	[illegible]	[illegible]
Equity bargains total	—	19,663	22,506	20,096	19,680	[illegible]	[illegible]

10 am 446.0. 11 am 447.9. Noon 448.4. 1 pm 447.9.
2 pm 447.9. 3 pm 448.0.
Latest Index 01-246 8026.
*Nil=6.58.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1979/80 High	1979/80 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	75.91 (4/5)	63.30 (19/12)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	77.76 (5/5)	64.06 (15/11)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	558.8 (4/5)	406.3 (15/11)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	360.4 (18/1/80)	129.9 (17/4)	442.3 (22/6/75)	43.5 (26/6/40)

S.E. ACTIVITY

	Jan. 23	Jan. 22
—Daily		
Gilt Edged	136.6	157.2
Industrials	117.1	147.4
Speculative	161.2	151.5
Totals	91.6	109.5
5-d'y Av'r'ge		
Gilt Edged	147.8	156.2
Industrials	140.1	144.8
Speculative	147.3	146.2
Totals	105.9	107.3

NEW HIGHS AND LOWS FOR 1979/80

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1979-80.

NEW HIGHS (19)

AMERICANS (2)
Chesebrough-Ponds' Rockwell
BUILDINGS (2)
Armitage Shanks Nottingham Brick
CHEMICALS (1)
Arrow Chemicals
STORES (1)
Moss Bros.
ELECTRICALS (3)
Pifco United Scientific
Do. A
FOODS (1)
Stocks (Joseph)
INDUSTRIALS (2)
Sandhurst Marketing Sothebys
OIL & GAS (2)
Cambridge Petrol. Gas & Oil Acreage
OVERSEAS TRADERS (2)
Boustead Inchcape
RUBBERS (1)
Bertam Cons
TEAS (1)
Lunuva
MINES (1)
Carr Boyd

NEW LOWS (11)

BANKS (1)
Algemene
CHEMICALS (2)
Burrell Hickson & Welch
STORES (2)
Cope Sportswear Vantona
FOODS (1)
British Sugar
INDUSTRIALS (4)
Courtney Pope Inter-City
Emhart Unilever N.V.
TEXTILES (1)
Shiloh Spinners

RISES AND FALLS

	Up	Down	Same
British Funds	71	2	17
Corpns., Dom. and Foreign Bonds	12	10	44
Industrials	187	350	865
Financial and Prop.	80	161	257
Oils	5	25	32
Plantations	3	11	14
Mines	15	91	42
Others	29	63	76
Totals	402	713	1,327

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS
Figures in parentheses show number of stocks per section

		Wed., Jan. 23, 1980 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues., Jan. 22 Index No.	Mon., Jan. 21 Index No.	Fri., Jan. 18 Index No.	Thurs., Jan. 17 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (172)	229.71	—	18.95	6.79	6.66	229.74	232.48	231.45	226.67	228.60
2	Building Materials (27)	220.67	+0.7	17.83	7.10	7.20	219.07	224.22	221.16	214.63	203.25
3	Contracting, Construction (29)	344.74	−0.5	26.77	7.02	4.62	346.34	350.58	348.70	340.86	346.80
4	Electricals (15)	582.62	−0.1	13.90	4.26	9.59	583.35	586.26	587.55	578.21	533.44
5	Engineering Contractors (11)	293.47	−0.3	26.43	8.72	4.84	294.31	296.78	296.72	291.71	355.63
6	Mechanical Engineering (74)	160.86	+0.1	21.36	8.06	5.78	160.74	162.32	161.71	158.92	178.10
8	Metals and Metal Forming (16)	158.69	−0.7	21.01	9.57	5.72	159.85	162.47	161.10	157.69	159.23
11	CONSUMER GOODS (DURABLE) (50)	210.01	+0.4	16.99	5.81	7.27	209.23	209.78	209.07	206.35	203.69
12	Lt. Electronics, Radio, TV (15)	287.18	+0.2	13.35	4.48	9.62	286.50	286.25	285.33	281.61	259.19
13	Household Goods (14)	113.68	−0.6	26.62	9.53	4.54	114.39	114.23	114.64	113.63	164.18
14	Motors and Distributors (21)	113.03	+0.9	23.78	8.24	4.96	111.99	113.35	112.74	111.18	116.12
21	CONSUMER GOODS (NON-DURABLE) (173)	222.23	—	18.17	6.81	6.78	222.33	226.99	226.65	221.79	205.50
22	Breweries (14)	263.62	−0.6	16.81	6.64	6.96	265.29	273.68	273.08	266.35	224.87
23	Wines and Spirits (5)	315.91	−0.7	17.18	5.87	7.18	318.00	322.79	322.01	317.60	289.82
24	Entertainment, Catering (17)	298.51	+0.3	18.70	7.01	6.73	297.75	307.55	310.41	302.04	261.29
25	Food Manufacturing (19)	201.42	−0.4	20.12	7.23	6.14	202.30	205.38	205.21	201.90	194.74
26	Food Retailing (15)	317.45	−0.6	12.98	4.47	9.21	319.37	325.52	321.59	316.76	226.26
32	Newspapers, Publishing (13)	425.56	−0.1	23.43	7.06	5.87	426.06	432.54	427.83	422.39	381.81
33	Packaging and Paper (15)	124.72	−0.1	23.88	9.11	5.39	124.83	126.72	125.89	123.56	131.76
34	Stores (43)	219.07	+0.6	14.05	5.20	9.19	217.87	222.12	221.87	215.04	189.83
35	Textiles (23)	130.17	+0.2	28.29	12.46	4.47	129.95	132.33	132.61	132.38	174.01
36	Tobaccos (3)	216.71	—	26.30	10.29	4.29	216.68	221.33	221.71	218.46	236.05
37	Toys and Games (6)	43.54	−0.3	37.59	16.45	3.36	43.66	43.85	43.62	43.48	88.91
41	OTHER GROUPS (97)	199.72	+0.2	15.75	6.76	7.73	199.39	203.03	202.29	198.98	193.01
42	Chemicals (17)	295.70	+0.6	16.58	6.82	6.97	293.96	299.39	299.75	296.59	272.66
43	Pharmaceutical Products (7)	208.97	+1.0	12.19	6.11	10.01	206.89	210.69	209.91	207.34	236.79
44	Office Equipment (6)	108.03	−1.3	18.14	7.91	6.81	109.40	110.46	109.15	105.87	128.91
45	Shipping (10)	427.63	−0.7	12.38	7.55	10.31	430.80	439.36	432.44	420.56	422.55
46	Miscellaneous (57)	236.24	−0.2	16.85	6.67	7.52	236.77	241.25	240.19	235.48	209.67
49	INDUSTRIAL GROUP (492)	224.77	—	17.70	6.72	6.99	224.68	228.44	227.78	223.35	214.70
51	Oils (8)	697.18	−0.5	16.12	6.84	6.71	700.97	710.74	714.28	715.28	497.67
59	500 SHARE INDEX	262.31	−0.1	17.38	6.75	6.93	262.51	266.76	266.41	262.35	238.22
61	FINANCIAL GROUP (117)	191.19	−0.4	—	5.78	—	192.03	195.28	193.55	189.86	167.35
62	Banks (6)	221.72	−1.4	37.51	5.86	3.40	224.92	229.61	226.46	223.68	201.78
63	Discount Houses (10)	243.01	+1.1	—	8.16	—	240.49	240.14	239.59	241.11	211.85
64	Hire Purchase (5)	181.88	−0.5	19.47	5.23	6.50	182.86	184.58	182.52	183.14	160.30
65	Insurance (Life) (10)	159.67	−0.1	—	6.59	—	159.89	162.32	159.91	156.67	130.49
66	Insurance (Composite) (9)	127.49	−0.2	—	7.62	—	127.77	130.56	128.66	126.68	118.01
67	Insurance Brokers (10)	294.20	−0.2	16.95	6.67	8.44	294.88	299.96	299.52	287.39	293.74
68	Merchant Banks (14)	97.88	−0.4	—	6.08	—	98.31	98.86	98.26	95.67	79.68
69	Property (44)	342.84	+0.4	3.85	3.13	37.26	341.48	347.07	346.93	336.70	269.44
70	Miscellaneous (9)	127.50	−1.2	16.29	7.15	8.06	129.06	129.82	128.82	128.88	114.07
71	Investment Trusts (109)	210.42	−0.4	—	5.86	—	211.36	212.96	210.35	207.65	209.70
81	Mining Finance (4)	184.54	−0.8	12.49	4.79	9.72	185.99	199.51	195.62	186.67	113.77
91	Overseas Traders (20)	376.35	−0.3	13.09	6.87	9.32	377.61	383.11	377.02	369.95	317.03
99	ALL-SHARE INDEX (750)	245.18	−0.2	—	6.48	—	245.64	249.91	248.89	244.72	228.12

FIXED INTEREST PRICE INDICES

	British Government	Wed., Jan. 23	Day's change %	xd adj. today	xd adj. 1980 to date
1	Under 5 years	101.69	+0.16	—	0.65
2	5-15 years	107.83	+0.28	—	1.50
3	Over 15 years	114.90	+0.30	—	0.24
4	Irredeemables	134.74	+0.31	—	[illegible]
5	All stocks	107.95	+0.25	—	0.63

FIXED INTEREST YIELDS British Govt. Av. Gross Red.

			Wed., Jan. 23	Tues., Jan. 22	Year ago (approx.)
1	Low	5 years	11.85	11.89	10.23
2	Coupons	15 years	12.85	12.89	[illegible]
3		25 years	12.85	12.89	12.78
4	Medium	5 years	13.96	14.03	13.42
5	Coupons	15 years	13.39	13.43	13.42
6		25 years	13.37	13.41	[illegible]
7	High	5 years	14.42	14.47	13.54
8	Coupons	15 years	13.85	13.89	13.92
9		25 years	13.56	13.60	[illegible]
10	Irredeemables		10.93	10.96	12.47

		Wed., Jan. 23 Index No.	Yield %	Tues., Jan. 22	Mon., Jan. 21	Friday Jan. 18	Thurs. Jan. 17	Wed. Jan. 16	Tues. Jan. 15	Mon. Jan. 14	Year ago (approx.)
15	20-yr. Red. Deb & Loans (15)	50.86	14.53	50.87	50.67	50.63	50.51	49.92	49.85	49.76	54.14
16	Investment Trust Prefs. (15)	47.98	14.06	47.91	47.85	47.76	46.98	47.00	47.00	46.90	50.76
17	Coml. and Indl. Prefs. (20)	62.01	14.48	61.96	61.86	61.61	61.66	62.14	61.89	61.64	72.14

† Redemption yield. Highs and lows record base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 22p.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1979-80 high	1979-80 low
RTZ	25p	19	378	− 4	410	226
Cons. Gold Fields	25p	11	442	—	482	178
Armitage Shanks	25p	10	95	—	95½	44
Messina	R0.50	9	165	−13	190	56
ICI	£1	8	374	+ 4	415	314
Selection Trust	25p	8	630	−14	684	442
Broken Hill Prop.	A$2	7	640	+ 5	702	440
Lonrho	25p	7	100		109	62
Western Mining	A$0.50	7	212	−10	237	121
Barclays Bank	£1	6	422	− 6	514	360
GEC	25p	6	354	+ 1	456	311
Gestetner "A"	25p	6	72	—	153	70
Grand Met.	50p	6	137	+ 1	178½	110½
Racal Electronics	25p	5	210	+ 2	276	168½
Shell Transport	25p	6	328	+ 4	402	278

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Jan. 21	Feb. 1	Apr. 24	May 6
Feb. 4	Feb. 15	May 8	May 19
Feb. 18	Feb. 19	May 20	Jun. 8

For rate indications see end of Share Information Service

In an active trade, calls were dealt in BP, Marks and Spencer, Town and City, Myson, French Kier, UDT, Fraser Ansbacher, Carrington Viyella, Premier Oil, Siebens (UK), Harrisons Malaysian Estates, Reo Stakis, Ladbroke Warrants, Lonrho, C. T. Bowring, FNFC and the 9½ per cent convertible, Land Securities, Courtaulds, Endeavor Oil, Burmah, GEC, ICI Grand Metropolitan, Shell Transport, Kulim, Duple and Swire Pacific A. Puts were done in Northern Kalgoorlie, Paringa and Burton Warrants, while doubles were arranged in Premier Oil, Reo Stakis and FNFC 9½ per cent Convertible.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1979/80 High	1979/80 Low	Stock	Closing Price p	+ or −	Div.	Times Covered	Gross Yield	P/E Ratio
170	F.P.	—	92	82	Bio-kil Chem. 10p	90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
363	150	20/2	182	128	[illegible] "New"	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
190	F.P.	11/1	118	101	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
180	F.P.	7/3	104	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
¶	F.P.	25/1	145	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
£10	F.P.	—	£101½	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
¶	F.P.	11/1	78	[illegible]	Spring Grove 10p	77	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
‖‖	F.P.	—	£87	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue Price	Amount Paid Up	Latest Renunc. Date	1979/80 High	1979/80 Low	Stock	Closing Price	+ or −
[illegible]	F.P.	19/12	93	[illegible]	Amber Day 10½% Cum. Red. Pref. '89-02	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] & District W'ter Red. Pref. 1985	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Bristol Waterworks [illegible] Red. Pref. 1984	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Dundonian 11½% Cum. Conv. Pref.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Hewitt (J.) 10pc Cum Pref.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date	1979/80 High	1979/80 Low	Stock	Closing Price p	+ or −
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Associated British Engineering	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Elson & Robbins	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Hammerson Prop. & Inv. Trust	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Do. A	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Hanimex Corp.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Lagunvale Estates	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Panocontinental	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Pilkington Bros	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Wearwell	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security. ‡‡ Issued as units comprising 2 income shares and 10 Capital shares at 125p per unit. † Dealings under special rule.

LEADERS AND LAGGARDS

The following table shows the percentage changes † which have taken place since December 29, 1978, in the principal equity sections of the FT Actuaries Share Indices. It also contains the Gold Mines Index.

Gold Mines F.T.	+18.67
Mining Finance	+14.84
Stores	+13.97
Overseas Traders	+13.60
Electronics, Radio and TV	+11.86
Newspapers and Publishing	+10.90
Hire Purchase	+10.60
Building Materials	+10.54
Metal and Metal Forming	+10.32
Insurance Brokers	+10.21
Consumer Goods (Durable) Group	+ 8.90
Investment Trusts	+ 8.80
Discount Houses	+ 9.66
Merchant Banks	+ 8.54
Cons. Goods (Non-durable) Group	+ 9.12
Tobaccos	+ 8.90
Entertainment and Catering	+ 8.88
Wines and Spirits	+ 8.88
Food Retailing	+ 8.60
Packaging and Paper	+ 8.31
Industrial Group	+ 8.18
Motors and Distributors	+ 8.08
Property	+ 7.81
Capital Goods Group	+ 7.66
Mechanical Engineering	+ 7.32
All-Share Index	+ 6.90
Contracting and Construction	+ 6.65
Pharmaceutical Products	+ 6.63
500 Share Index	+ 6.58
Other Groups	+ 6.52
Food Manufacturing	+ 6.37
Electricals	+ 6.13
Chemicals	+ 5.86
Office Equipment	+ 5.83
Financial Group	+ 5.30
Insurance (Composite)	+ 5.07
Breweries	+ 4.82
Textiles	+ 3.49
Engineering Contractors	+ 2.30
Insurance (Life)	+ 2.24
Banks	+ 2.06
Shipping	+ 1.58
Oils	+ 0.66
Household Goods	− 4.76
Toys and Games	− 8.26

† Percentage changes based on Tuesday, January 22, indices.

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Rothschild Asset Mgt. (Bermuda)
P.O. Box 664, Bk. of Bermuda Bld., Bermuda
[illegible]

TSB Gilt Fund Managers (C.I.) Ltd.
10 Wharf St., St. Helier, Jersey (CI).
[illegible]

Lloyds Bk. (C.I.) U/T Mgrs.
[illegible]

Royal Trust (C.I.) Fd. Mgt. Ltd.
[illegible]

Tokyo Pacific Holdings N.V.
[illegible]

Lloyds Bank International, Geneva
[illegible]

Save & Prosper International
[illegible]

M & G Group
[illegible]

Tyndall Group
[illegible]

Midland Bank Tst. Corp. (Jersey) Ltd.
[illegible]

Samuel Montagu Ldn. Agents
[illegible]

Schlesinger International Mngt. Ltd.
[illegible]

Murray, Johnstone (Inv. Adviser)
[illegible]

Unilife Assurance (Overseas) Ltd.
[illegible]

Nat. Westminster Jersey Fd. Mgrs. Ltd.
[illegible]

Schroder Life Group
[illegible]

Negit S.A.
[illegible]

J. Henry Schroder Wagg & Co. Ltd.
[illegible]

Pacific Basin Fund
[illegible]

Phoenix International
[illegible]

Provident Capital Life Ass. (C.I.)
[illegible]

Quest Fund Mngmt. (Jersey) Ltd.
[illegible]

Standard Chartered Intl. Bd. Fd.
[illegible]

Stronghold Management Limited
[illegible]

Richmond Life Ass. Ltd.
[illegible]

Surinvest (Jersey) Ltd.
[illegible]

Rothschild Asset Management (C.I.)
[illegible]

Surinvest Trust Managers Ltd.
[illegible]

TSB Unit Trust Managers (C.I.) Ltd.
[illegible]

Warburg Invest. Mngt. Jrsy. Ltd.
[illegible]

Wardley Investment Services Ltd.
[illegible]

World Wide Growth Management
[illegible]

Wren Commodity Trust
[illegible]

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Discretionary Unit Fund Managers
22 Blomfield St., EC2M 7AL. 01-638 4485
Dis. Inc. Jan. 10	183.9	390.0	—	6.21

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893
Great Winchester	16.8	18.6	—	6.24
Gt. Winchester O'seas	19.6	21.8	—	2.52

Emson & Dudley Tst. Mngmnt. Ltd.
20, Albemarle St., W1. 01-499 3211
Emson Dudley Tst.	69.6	74.4	—	6.00

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377
Equity & Law	72.8	76.6	−0.4	5.20

Fidelity International Management Ltd.
62-63, Queen St., London, EC4R 1AD. 01-248 4891
American	26.1	27.5	−0.5	1.0
Fixed Interest	[illegible]	[illegible]	−0.1	12.6
Growth & Income	28.0	[illegible]	−0.2	7.80
Special Sits.	27.6	29.3	−0.1	3.00

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321
J. Finlay Internat'l	26.4	28.4	−0.7	2.20
Accum. Units	32.1	34.5	−0.9	2.20
J. Finlay High Income	32.7	35.2	+0.7	[illegible]
J. Finlay Euro.Fin.	23.2	24.9	—	[illegible]
Accum. Units	28.7	30.8	—	[illegible]
J. Finlay Fd.-In.Tst.	30.9	33.2	+0.5	5.76
Accum. Units	37.3	40.1	+0.4	5.76

Prices on Jan. 23. Next dealing Jan. 30.

Framlington Unit Mgt. Ltd. (a)
64, London Wall, EC2M 5NQ. 01-628 5181
American	52.6	55.8	—	1.31
American Turnaround	52.4	[illegible]	—	2.00
Capital Tst.	[illegible]	[illegible]	−0.4	4.98
(Accum. Units)	51.4	54.6	−0.4	4.98
Income Tst.	[illegible]	[illegible]	−0.4	[illegible]
Int. Growth Fd.	43.0	45.6	−0.2	2.21
(Accum. Units)	45.4	48.2	−0.2	2.21

Friends' Provdt. Unit Tr. Mgrs.♥
Pixham End, Dorking. 0306 5055
Friends Prov. Units	[illegible]	57.4	—	4.95
Do. Accum.	66.3	70.9	—	4.95

Funds in Court*
Public Trustee, Kingsway, WC2. 01-405 4300
Capital Jan. 17	111.0	115.7	—	5.10
Gross Inc. Jan. 17	72.9	75.2	—	[illegible]
High Yield Jan. 17	[illegible]	[illegible]	—	[illegible]

ManuLife Management Ltd.
St. George's Way, Stevenage. 0438 56101
Growth Units	62.1	65.4	—	4.30

Mayflower Management Co. Ltd.
14-18, Gresham St., EC2V 7AU. 01-606 8099
Income Jan. 21	103.9	108.4	—	9.12
General Jan. 21	72.1	74.9	—	6.18
Intnl. Jan. 21	46.0	48.5	—	3.38

Mercury Fund Managers Ltd.
30, Gresham St., EC2P 2EB. 01-600 4555
Merc. Gen. Jan. 23	54.2	57.6	—	6.21
Acc. Uts. Jan. 23	74.0	[illegible]	—	6.21
Merc. Int. Jan. 23	73.5	78.2	—	4.76
Acc. Uts. Jan. 23	82.6	87.9	—	4.76
Merc. Ext. Dec. 27	254.4	265.0	—	6.30
Accm. Units Dec. 27	318.2	331.5	—	6.30

Midland Bank Group Unit Trust Managers Ltd.♥ (a)
Courtwood House, Silver Street, Head, Sheffield, S1 3RD. Tel: 0742 79842
Commodity & Gen.	85.8	[illegible]	−1.7	[illegible]
Do. Accum.	104.6	[illegible]	−1.9	[illegible]
Overseas Growth	34.6	[illegible]	−0.4	[illegible]
Do. Accum.	38.5	[illegible]	−0.5	[illegible]
Capital	[illegible]	[illegible]	−0.4	[illegible]
Do. Accum.	30.0	[illegible]	−0.5	[illegible]
Income	52.9	[illegible]	−0.5	[illegible]
Do. Accum.	[illegible]	[illegible]	−0.6	[illegible]
North American	[illegible]	[illegible]	—	[illegible]
Do. Accum.	40.0	[illegible]	—	[illegible]
High Yield	58.8	[illegible]	—	[illegible]
Do. Accum.	68.3	[illegible]	—	[illegible]
Equity Exempt*	109.2	[illegible]	—	[illegible]
Do. Accum.*	112.2	[illegible]	—	[illegible]
Japan & Pacific	35.7	[illegible]	+0.1	[illegible]
Do. Accum.	35.9	[illegible]	+0.1	[illegible]

*Prices at Jan. 18. Next dealing Jan. 25.

Minster Fund Managers Ltd.
Minster Hse., Arthur St., EC4R 9BH 01-623 1050
Minster Jan. 14	36.3	38.3	—	7.64
Exempt Dec. 31	94.2	98.2	—	6.84

MLA Unit Trust Mngmnt. Ltd.
Old Queen Street, SW1A 9JG. 01-222 8177
MLA Units	56.3	59.2	—	3.58

Murray Johnstone U.T. Mgmt.♥ (a)

INSURANCE PROPERTY BONDS

OFFSHORE & OVERSEAS FUNDS

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS AND HIRE PURCHASE

BANKS & HP—Continued

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

ELECTRICALS

ENGINEERING MACHINE TOOLS

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

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MINES—Continued

CENTRAL AFRICAN

1979-80 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
430	97	Coronation	370	–30	Q54c	2.2	8.4
675	132	Falcon Rh.50c	640	–10	Q100c	1.7	10.8
48	11	Rhod'n Corp. 16⅔p.	43	–1	0.56	6.5	1.9
267	70	Roan Cons. K4	240	–17	Q0.125	ϕ	3.2
67	26	Wankie Col. Rh.1	60	–1	Q9c	1.5	10.3
57	9	Zam.Cpr.SBD0.24	48	–2	—	—	—

AUSTRALIAN

High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
28	18	Acmex 50c	25	.....	—	—	—
18	4	ACM 20c	16	–1	—	—	—
91	50	Bond Corp.	91	.....	Q3.75	2.2	2.1
173	100	Bougainville 50 Toea	160	–4	†Q15c	1.0	4.9
245	84	BH South 50c	210	–10	ϕ	—	—
23	8	Carr Boyd 20c	23	+2	—	—	—
£25	340	Central Pacific	£21	–1	—	—	—
318	170	Conzinc Riotinto 50c.	258	–2	MQ10c	2.0	2.0
36	14	Cultus Pacific N.L.	21	.....	—	—	—
*44	2½	Eagle Corp. 10c	38	–3	—	—	—
22	11	Endeavour 20c	19½	–2½	—	—	—
228	62	G. M. Kalgoorlie 25c	204	–10	Q3c	—	0.8
305	148	Hamptn Areas 5p.	280xd	–15	3.5	2.8	1.8
75	20	Haoma Gold N.L.	32	.....	—	—	—
71½	25	Metals Ex. 50c	63	.....	—	—	—
304	134	M.I.M. Hldgs. 50c	280	–5	‡Q6.1c	1.8	3.0
25	15	Minefields Expl.	25	.....	—	—	—
114	30	Mount Lyell 25c	104	–10	—	—	—
44	13	Newmetal 20c	24	.....	—	—	—
167	91	††North B. Hill 50c	156	–2	Q12c	1.4	3.9
57	4½	Nth. Kalgurli	46	–5	—	—	—
165	45	Nth. Mining Corp.	130	+2	—	—	—
71	18	N. West Mining N.L.	24	.....	—	—	—
193	76	Oakbridge $A1	184	–2	Q12c	4.7	3.4
112	22	Oilmin N. L.	92	–8	—	—	—
134	58	Pacific Copper	124	.....	—	—	—
*575	125	Pancont'l 25c	390	–10	—	—	—
*62	2	Paringa M&Ex.5p	55xr	–3	—	—	—
450	248½	Peko-Wallsend 50c	410	–10	†Q17.5c	ϕ	2.2
217	125	Seltrust A	190	–8	—	—	—
900	145	Southern Pacific	780	–45	—	—	—
*62	8½	Swan Resources 20c.	46	–11	—	—	—
16	12	West Coast 25c	13	.....	—	—	—
237	121	Westn. Mining 50c	212	–10	Q7c	1.6	1.8
28	8	Westmex	20	–5	—	—	—
94	40	Whim Creek 20c	76	–4	—	—	—
25	10½	York Resources	14	–2	—	—	—

TINS

High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
30	23	Amal. Nigeria	30	.....	1.0	1.9	6.0
435	265	Ayer Hitam $M1	295	.....	Q290c	8.9	20.0
72	48	Beralt Tin	54	+1	4.5	ϕ	11.9
270	155	Berjuntai $M1	155	.....	±095c	1.0	‡
190	125	Geevor	165	.....	8.71	3.1	7.5
11	8	Gold & Base 12½p	11	.....	—	—	—
365	295	Gopeng Cons.	340	–5	25.0	ϕ	10.5
370	289	Hongkong	300	.....	35.87	ϕ	17.1
98	64	Idris 10p	95	.....	†8.0	1.6	12.7
15	9½	Jantar 12½p	14	.....	—	—	—
95	38	Kamunting $M0.50	65	.....	Q47½c	1.1	16.4
620	270	Killinghall $M1	300	.....	Z060c	—	4.1
585	365	Malay Dredging $M1	560	–10	†Q105c	2.6	3.8
57	26	Pahang	27	.....	0.44	0.3	2.4
123	60	Pengkalen 10p	105	.....	24.0	ϕ	5.4
275	195	Petaling $M1	230	.....	Q150c	ϕ	13.3
87	53	Saint Piran	60	.....	‡2.5	6.4	‡
58	34	South Crofty 10p	41	.....	‡3.0	2.0	‡
230	170	South Kinta $M0.50	195	.....	Q150c	1.0	15.7
430	285	Sthn Malayan $M1	360	–5	Q175c	2.1	9.9
310	210	Sungei Besi $M1	240	.....	†Q520c	1.0	44.3
75	25	Supreme Corp. $M1	35	.....	Z010c	—	5.8
105	93	Tanjong 15p	100	.....	7.5	0.7	10.7
115	90	Tongkah H. Tin	90	.....	Q45c	1.3	11.2
280	190	Tronoh $M1	235	.....	†Q25c	5.2	2.2

COPPER

High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
190	56	Messina R0.50	165	–13	Q10c	ϕ	3.5

MISCELLANEOUS

High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
81	54	Barymin	63	–3	—	—	—
14½	10	Burma Mines 17½p	13	.....	—	—	—
460	170	Cons. Murch. 10c.	400	–27	Q100c	ϕ	14.3
585	280	Northgate C$1	485	–55	—	—	—
410	226	R.T.Z.	378	–4	†11.5	3.4	4.3
31	12	Robert Mines	22	–1	—	—	—
65	26	Sabina Inds. C$1.	36	–1	—	—	—
880	470	Tara Exptn. $1	550	–10	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♦ Excluding a final dividend declaration.
- ♣ Regional price.
- ∥ No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

"Recent Issues" and "Rights" Page 36

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REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or –
Albany Inv. 20p	27	.....
Bertam	16	.....
Bdg'wtr. Est. 50p	360	.....
Clover Croft	58	.....
Craig & Rose £1	£10½	.....
Dyson (R. A.) A	12	+1
Fife Forge	39	.....
Finlay Pkg. 5p	19	.....
Graig Ship. £1	875	.....
Higsons Brew	80	–3
Holt (Jos) 25p	255	.....
I.O.M. Stm. £1	180	.....
Pearce (C. H.)	385	.....
Peel Mills	33	.....
Sheff. Refrshmt	98	.....
Sindall (Wm.)	165	.....

IRISH

Stock	Price	+ or –
Conv. 9% '80/82	£86	.....
Nat. 9¾% 84/89	£71⅝	.....
Fin. 13% 97/02	£85⅝	+⅛
Alliance Gas	66	–1
Arnott	340	.....
Carroll (P.J.)	56	.....
Clondalkin	85	.....
Concrete Prods.	85xd	.....
Helton (Hldgs.)	35	.....
Ins. Corp.	208	.....
Irish Ropes	66	.....
Jacob	35	.....
T.M.G.	125	.....
Unidare	82	.....

OPTIONS

3-month Call Rates

Industrials					
A. Brew	8	I.C.I.	22	Utd. Drapery	9
BOC Intl.	6	"Imps"	7	Vickers	14
B.S.R.	5	I.C.L.	45	Woolworths	6½
Babcock	12	Inveresk	5	**Property**	
Barclays Bank	30	Ladbroke	15	Brit. Land	7
Beecham	13	Legal & Gen.	14	Cap. Counties	9
Blue Circle	25	Lex Service	10	Land Secs.	25
Boots	17	Lloyds Bank	24	MEPC	17
Bowaters	16	"Lofs"	3½	Peachey	13
B.A.T.	25	London Brick	6	Samuel Props.	12
Brown (J.)	7	Lucas Inds.	20	Town & City	2
Burton 'A'	22	"Mams"	14	**Oils**	
Cadburys	5½	Mrks. & Spncr	9	Brit. Petroleum	28
Courtaulds	8	Midland Bank	30	Burmah Oil	15
Debenhams	8	N.E.I.	5	Charterhall	6½
Distillers	21	Nat. West. Bank	32	KCA	6½
Dunlop	5½	P & O Dfd.	9	Premier	4½
Eagle Star	14	Plessey	10	Shell	28
F.N.F.C.	1¼	Racal Elect.	20	Tricentrol	27
Gen. Accident	21	R.H.M.	4½	Ultramar	32
Gen. Electric	38	Rank Org.	18	**Mines**	
Glaxo	40	Reed Intnl.	17	Charter Cons.	10
Grand Met.	12	Sears	5½	Cons. Gold	40
G.U.S. 'A'	30	Tesco	7	Lonrho	9
Guardian	25	Thorn	25	Rio T. Zinc	35
G.K.N.	22	Trust Houses	14		
Hawker Siddt	16	Tube Invest.	27		
House of Fraser	12	Unilever	40		
		U.D.T.	4		

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

Thursday January 24 1980

Olivetti to sell Japanese computers

By Rupert Cornwall in Rome and John Lloyd in London

THE JAPANESE computer industry has gained a further strong foothold in Western Europe through a distribution deal for its large computers with Olivetti, the Italian electronics and office equipment group.

Fujitsu, which has jointly developed its computer range with Hitachi, already operates an agreement with Siemens, West Germany's biggest electronics group, for the marketing of its machines in Europe.

The Fujitsu-Hitachi machines are compatible with International Business Machines computers, which account for nearly 60 per cent of all computers installed in Western Europe.

Olivetti has announced a similar agreement with the U.S. company IPL to market its medium sized systems. The two agreements mean Olivetti can offer a range of computers, from its own desk-top minicomputers to big "number crunchers."

The new venture, to be handled by a special subsidiary of the Ivrea-based company named Olivetti Computers, ends a 16-year absence of Olivetti from this sector after the sale of its mainframe computer division to General Electric of the U.S. in 1964.

Olivetti will market the Hitachi OM-5500 range and the IPL OC-5300 series. Like the Hitachi models, the IPL computers will be IBM-compatible.

The twin agreements mark Olivetti's attempt to join the ranks of major European manufacturers, including Siemens, International Computers of the UK and Cii Honeywell-Bull of France. It will also mean that two of these major companies will produce machines compatible with those of IBM. Honeywell and ICL offer independent systems.

The Japanese Government and electronics industry have identified computers as a major growth market for Japan in the 1980s, and have created two groupings—Fujitsu/Hitachi (joined by Mitsubishi) which manufactures IBM - compatible machines; and Nippon Electric/Toshiba, which manufactures an independent system.

● Olivetti confirmed yesterday that this year, it will carry through a further major capital increase, after the recent double operation lifting its capital to L200bn.

Olivetti shareholders are certain of a dividend payment next spring, after an operating profit last year—though figures have not been finalised.

Hitachi to expand in Germany, Page 4

Weather

SUNNY periods, showers in W. and N.

London, S. and E. England, Midlands, Cent. N. England
Dry, sunny periods. Max. 5C (41F).

Channel Isles, S.W. England
Sunny periods, showers. Max. 8C (46F).

Wales
Sunny periods. Max. 6C (43F).

N. England, Scotland, Orkney, Shetland, N. Ireland
Bright intervals, showers, snow on hills. Max. 3/4C (38F).

Outlook: Sleet or snow and rain moving S. Cold.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	C	13	55	Locarno	R	9	48
Algiers	S	17	63	London	S	8	46
Amsdm.	C	4	39	Luxmbg.	R	3	37
Athens	F	11	52	Luxor	F	20	68
Bahrain	R	20	68	Madrid	C	11	52
Barclna.	S	15	59	Majorca	S	15	59
Beirut	C	14	57	Malaga	S	15	59
Belfast	C	4	39	Malta	F	16	61
Belgrd.	C	3	37	M'chstr	C	5	41
Berlin	C	3	37	Melbne.	C	19	66
Biarritz	C	15	59	Mex. C.	C	19	66
Bmghm.	F	5	41	Milan	C	4	39
Blackpl.	R	4	39	Mntreal.	C	−1	30
Bordx.	R	6	43	Moscow	F	−8	18
Boulgn.	C	5	41	Munich	F	5	41
Bristol	C	6	43	Nairobi	S	26	79
Brussels	C	5	41	Naples	C	12	54
Budpst.	R	0	32	Nwcstl.	F	4	39
B. Aires	S	32	90	N. York	S	5	41
Cairo	C	16	61	Nice	S	16	61
Cardiff	R	6	43	Nicosia	C	15	59
Cas'b'ca	S	21	70	Oporto	C	13	55
Cape T.	S	24	75	Oslo	S	1	34
Chicago	S	−11	12	Paris	C	6	43
Cologne	F	6	43	Perth	S	28	82
Cpnhgn.	F	2	36	Prague	C	2	36
Corfu	C	12	54	Reykjvk.	S	−5	23
Dublin	C	4	39	Rhodes	S	13	55
Dbrvnk.	C	10	50	Rio J'o	R	26	79
Ednbgh.	C	4	39	Rome	C	15	59
Faro	C	15	59	Salzbrg.	C	3	37
Florence	C	15	59	Singapr.	S	31	88
Frankft.	F	6	43	Stckhm.	Sn	0	32
Funchal	F	19	66	Strasbg.	C	8	46
Geneva	F	7	45	Sydney	C	31	88
Gibrltr.	F	15	59	Tangier	S	17	63
Glasgow	C	5	41	Tehran	Sn	−1	30
G'rnsey	S	7	45	Tel Aviv	R	13	55
Helsinki	Sn	−7	19	Tenerife	S	19	66
H. Kong	S	17	63	Tokyo	S	7	45
Innsbrk.	C	2	36	Toronto	S	−3	27
Invrnss.	C	4	39	Tunis	S	16	61
I.o.Man	C	6	43	Valencia	C	16	61
Istanbul	C	5	41	Venice	F	7	45
Jersey	F	6	43	Vienna	C	2	36
Jo'burg	R	23	73	Warsaw	Sn	0	32
L. Pims.	S	20	68	Zurich	F	6	43
Lisbon	C	13	55				

S—Sunny. Sl—Sleet. Sn—Snow. C—Cloudy. F—Fair. Fg—Fog. R—Rain.

THE ARREST OF DR. SAKHAROV

Soviet Union defends action

BY FINANCIAL TIMES CORRESPONDENTS

THE SOVIET UNION yesterday mounted a ferocious defence of its decision to banish Dr. Andrei Sakharov, the Soviet human rights leader, amid signs of a rapid deterioration in relations with the U.S. and strong protests from other Western Governments.

The Soviet Government newspaper Izvestia accused the Nobel Prize-winning physicist of giving nuclear secrets to the West and of being a traitor to his country.

The UK, France, West Germany, Italy and Israel yesterday added their voices to the protest at the exiling of Dr. Sakharov. The Italian and French Communist parties also condemned it.

In the UK Ministers said yesterday that the arrest of Dr. Sakharov would help efforts to construct an effective protest by the West against the Russian invasion of Afghanistan.

Politicians from all parties joined in criticism of the arrest of the Nobel Peace prize winner. Over 50 MPs from all sections of the Labour Party with three Liberals signed a Commons motion deploring the treatment of Dr. Sakharov and urging his full reinstatement.

Although the initial reaction to Mrs. Thatcher's appeal to the British Olympic Association to withdraw support from the Moscow Olympics was distinctly cool, Ministers believe public opinion might swing their way.

The French government said Moscow's action was contrary to the spirit of the 1975 Helsinki conference on European security and cooperation. It added that the move was a "disquieting sign regarding the present international situation."

In a related development which is bound to embarrass the Soviet Union M. Jacques Chaban-Delmas, the president of the French National Assembly and a former French Prime Minister, yesterday cut short his visit to Moscow in protest at the action against Dr. Sakharov.

The Russians have set great store on their relationship with France, a major element in their strategy after the invasion of Afghanistan to divide Western Europe from the U.S. and to blunt international reaction.

M. Chaban-Delmas was due to have toured the Soviet Union for a week at the invitation of the Supreme Soviet, the country's parliament. He had a meeting with Mr. Leonid Brezhnev, the Soviet President on Tuesday at about the time that Dr. Sakharov and his wife Yelena Bonner, were being arrested.

The West German Government yesterday demanded that the Soviets free Dr. Sakharov and return him to his Moscow home. The official spokesman said Bonn was very disconcerted and that the Soviet action contradicted the obligations Moscow undertook by signing the Helsinki accords.

Sig. Sandro Pertini, the Italian President, has sent a telegram to Mr. Brezhnev, the Soviet President, condemning the arrest. Mr. Menachem Begin, the Israeli Prime Minister, and Austria's ruling Socialist Party have called for Dr. Sakharov's release, while the Australian and Belgian Governments deplored the arrest.

The tone of Soviet commentaries including a claim by the Soviet news agency Tass that U.S. aircraft have resumed "buzzing" of Russian merchant ships in the Far East, suggests a significant heightening in the propaganda war from Moscow.

Hardliners strengthen hold on Kremlin, Page 2
Editorial comment, Page 22

Regions escape further cuts in industrial aid

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

THE GOVERNMENT does not intend to make any further cuts in its regional aid to industry before the next general election, in spite of the Treasury's campaign to introduce major reductions in public spending during the next few months.

This was announced yesterday by Sir Keith Joseph, Industry Secretary. He also said that Sir Derek Rayner, who is in charge of improving the efficiency of Government Departments, is to make a major study of how the regional development grants system works.

Sir Keith's statement about the continuity of Government policy on regional aid will reassure industrialists. Companies have been concerned that there might be further cuts in addition to the reductions of £233m over three years announced last July. This would have upset their future investment plans.

A few days ago the Confederation of British Industry wrote to Sir Geoffrey Howe, Chancellor of the Exchequer, saying that the poor profitability of British industry meant that there should be no further cuts in Government aid.

Yesterday Sir Keith met this point when he told the Commons Select Committee on trade and industry that the Government had "no intention of altering the main lines of regional policy." The policy would "remain stable."

Sir Keith made his remarks during a two-hour appearance in front of the committee which has just been created following a reorganisation of the Commons committee system.

In confident style, he met criticisms of the Government's policies by stressing his belief in the market system and his scepticism about various Government measures which he has agreed to continue. These are aimed at boosting industry in the regions, enticing foreign investment into the UK, using "Little Neddies" to reform company practices, and helping small businesses.

At a time when there are growing fears of widespread bankruptcies, he stressed that the Government did not believe in baling out failures, but said that aid might be given in "exceptional" circumstances.

Sir Derek Rayner's study of the Department's regional development grant scheme forms part of the second stage of his work announced yesterday. He will aim to make the operations of the Department's four grants offices in Cardiff, Glasgow, Billingham and Bootle more efficient, possibly by straight cuts in their £6m annual operating costs.

The staff in these offices is already being cut from 500 to 400 as a result of last July's reductions in regional aid. At present the offices handle grants totalling over £400m a year.

Sir Keith also said that there had been a slowdown in applications for regional aid during the past year. It is understood that while 40,000 applications were made in 1978-79, the total for 1979-80 is not expected to exceed 37,000.

Dealing with other subjects, Sir Keith repeated the Government's pledge to introduce legislation injecting private capital into the nationalised shipbuilding industry, and said he hoped to introduce a Bill on the Post Office in the next session. This would split the Post Office in two and stop its telecommunications monopoly.

The Government was confident about the prospects for Rolls-Royce but, he added, "we accept that there will be a difficult couple of years before they make a profit."

Callaghan fails again on party inquiry

By Elinor Goodman, Lobby Staff

MR. JAMES CALLAGHAN'S hopes of eroding the Left-wing domination of the commission of inquiry into the future of the Labour Party were finally dashed yesterday.

The party's National Executive voted by 12 to 11 in favour of retaining the existing membership of the commission. This means that the Left will have a clear majority on the commission which will report to this year's party conference an almost all the fundamental issues facing the party, including the method of selecting a leader and of drawing up the party manifesto.

In a further blow to the moderates, the executive also effectively voted against publishing the Underhill report on infiltration of the party by Trotskyists which has already been extensively leaked.

Lord Underhill, the party's former national agent, has said he will publish it if the executive does not. The only thing appearing to hold him back is whether the party's organisation committee will agree to consider formally his request for publication at its next meeting.

Mr. Callaghan, who has suffered successive defeats by the executive since the last general election, did not seem to be in a fighting mood yesterday. He was, however, on the winning side in the vote on foreign affairs. A motion, which he supported, condemning Soviet aggression in Afghanistan but arguing against a boycott of the Olympic Games was approved with only one vote against.

The executive's decision on the composition of the commission and publication of the Underhill report will almost certainly increase the pressure from moderates in the party to reform the structure of the National Executive Committee itself.

Last night the Campaign for Labour Victory, the moderate pressure group whose members include Mrs. Shirley Williams and Mr. Roy Hattersley, claimed that the inquiry had been fixed by the majority group on the NEC in a "squalid and blatant fashion." The decision would cause anger and dismay to most Labour Party members, they claimed.

The signs are, however, that the Left will resist the question of the NEC's own structure being considered a priority by the commission of inquiry.

The commission had its first meeting on Tuesday before its membership was finally settled. Both wings of the party are in favour of getting its work done as quickly as possible.

Originally the idea of a commission came from moderates within the party. It was seen as a way of defusing the Left's demand for radical change. But the tactic has backfired.

Right up to the last moment some members of the Shadow Cabinet had been hoping that the executive would give way to a request from Trade Unionists for a Labour Victory that two Left-wingers should lose their seats as voting members of the commission. But in the end the NEC agreed to stand by its original decision.

This means that the commission will be composed of five trade union representatives, five members of the executive, Mr. Callaghan and Mr. Michael Foot, as party leader and deputy leader, Mr. Alex Kitson, deputy party chairman, and Mr. Norman Atkinson, party treasurer.

The only concession wrung out of the executive in four months of sometimes bitter negotiations is that the chief whip should be allowed to sit in on the proceedings as a non-voting member.

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Gold

uncertainty about the strength of demand from the Middle East.

Some Zurich gold dealers report that oil producing countries have been placing orders over the past few weeks of up to 10 tonnes at a time.

Fears that such large amounts might be re-sold if the speculative bubble burst that contributed to operators' readiness to take their profits on Tuesday and early yesterday.

Currencies continued generally quiet, with the dollar slipping back slightly to DM1.7295 from DM1.7320 overnight. Sterling rose to $2.2790 from $2.2755, although its trade-weighted index was slightly lower at 71.8 (72.0).

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Railmen urged to stop movement of steel

was no sign yesterday that a speedy settlement is likely.

Delegates from metalworkers unions in 14 countries will meet the Iron and Steel Trades Confederation and the National Union of Blastfurnacemen today to discuss ways of blocking the movement of steel into Britain. The talks have been organised by the International Metalworkers Federation.

As for the cost of the strike to BSC, both the Industry Department and the BSC stressed that the figure of £10m represented the "direct loss" to the industry and that it was a "very broad brush."

They refused to spell out what it could mean for the overall performance of the corporation which had expected to lose £350m in the current financial year before the strike started.

The £10m has, it is believed, been calculated by offsetting the savings in wages and some raw materials costs against the bills the BSC is continuing to have to pay and against its lost revenue.

Sir Keith yesterday also defended his acceptance of the BSC's earlier aim to reach a break even point by the the end of this financial year.

Franco-German tank go-ahead soon

BY JONATHAN CARR IN BONN

WEST GERMAN and French companies expect to receive formal approval from their governments about mid-year to develop a joint battle tank for the 1990s.

If the scheme goes ahead, it will be a notable boost for Bonn after disappointments both with the U.S. in the 1970s and France in the 1950s over tank projects.

Details of the plan were revealed by Krauss-Maffei, the Munich-based concern responsible for building West Germany's Leopard 1 and 2 tanks.

The company said it was establishing a 50-50 enterprise with Mak Maschinenbau of Kiel. It is to be called MKS (Mak-Krauss-Maffei Sondertechnik) and act as the German side in the partnership. The French side would be the state concern, GIAT.

Tonnage of ships on order grows

BY WILLIAM HALL

THE TONNAGE of ships on order at the world's shipyards continues to increase although the number of ships on order has started to fall.

Latest figures published by The Motor Ship show that 1,434 ships of over 2,000 dwt, totalling 36.4m dwt, were on order at the beginning of 1980. This compares with 1,556 ships of 34.6m dwt three months ago.

Over the past 12 months the total size of the world order book has risen by 6.2m dwt to 36.4m dwt. Almost three-quarters of this increase represents the 4.5m dwt rise in the order books of Japanese shipyards. Among the other countries to increase their order books over the same period are Brazil, Poland, Korea, Yugoslavia and Taiwan. Together, they put on another 3m dwt of new orders.

LEADING SHIPYARD ORDERBOOKS
(million deadweight tons)

	end-1977	1978	1979
Japan	14.8	6.9	11.4
Brazil	4.5	3.8	4.0
Poland	2.1	1.2	2.7
Gt. Britain	3.0	2.3	2.0
U.S.	5.3	2.5	1.6
Korea	1.5	1.0	1.5
Spain	3.5	1.8	1.5
Sweden	4.0	1.8	1.3
Yugoslavia	1.1	0.7	1.2
Taiwan	0.9	0.5	0.8
World total	53.5	30.2	36.4

Source: The Motor Ship

These five countries share 28 per cent of the total world order book and Japan accounts for another 31 per cent. Two countries, Brazil and Poland, have managed to increase the absolute size of their order books since the world order book for ships peaked at 235m dwt in the autumn of 1974.

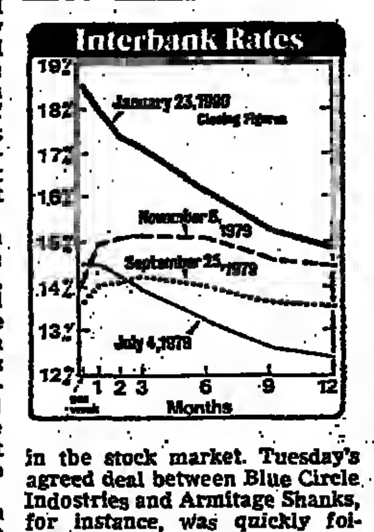
Over the same period, the size of the Swedish order book has dropped from 19.4m dwt to 1.3m dwt. West Germany's order book has fallen from 13.2m dwt to 0.7m dwt. The British order book has dropped from 10.1m dwt to 2.0m dwt, but because of the size of the overall reduction in the world total, the British share of ships on order has risen from 4.5 per cent in 1974 to 5.5 per cent.

Through aggressive use of the Government's intervention fund to subsidise new ship orders, the UK has managed to maintain its position in the world shipbuilding league. According to Motor Ship's statistics, it ranks as fourth largest after Japan, Brazil and Poland.

THE LEX COLUMN

What a difference a day makes

Index rose 1.0 to 450.8



In its own comparatively sedate way the gilt-edged market is doing its best to match the gyrations that have played havoc with the gold price. Yesterday morning a new 25-year stock, partly paid and rather cheap compared with existing issues, was half left on the shelf at the Bank of England. This morning investors will be delighted with themselves if they manage to get hold of any at a ¼ point premium.

Much the same happened a couple of weeks ago, with Exchequer 14 per cent 1984: anyone then who was prepared to tender for the issue, and take the risk of being locked in a falling market for a day, was well rewarded. In present conditions fund managers would rather pay a premium than take such a risk. And it is clear that they are very uncomfortable with the tender system.

It is perfectly understandable that no one should want to be unable to sell—even for 24 hours—in a market as turbulent as this. Yesterday saw exceptional activity in the field of rumours, not all of which could be blamed on the jobbers. At one time or another it was said that the Shah had been arrested, a general strike was to be called, Soviet troops were encroaching on Pakistan, the steel strike was over, and the gilt-edged tender had been oversubscribed.

It is some indication of the strength of the gilt-edged market that it was able to advance against such an uncertain background and in the face of continuing tightness in the short money markets. If the short tap is sold out soon as well as the long, £1.9bn (including the £170m call on the partly-paid BP shares) will be taken out of the market in this banking month and the next, and a further £1.3bn will have to be found by the oil companies to cover advance tax payments and forward purchases of BNOC oil. Even assuming the postponement of the special deposits recall and some heavy buying in of maturing stock, conditions are going to be difficult for several weeks. And as taxes are paid the banks are going to be faced with involuntary loan demand that will push them deeper into trouble with the corset.

Takeover bids

The takeover scene is becoming highly active, a reflection of the big discount at which industrial assets are now valued in the stock market. Tuesday's agreed deal between Blue Circle Industries and Armitage Shanks, for instance, was quickly followed by hectic activity in the market yesterday as BCI grabbed a 15 per cent stake and the Lebanese interests acting through Ceramics Holdings pushed up their holding from 21 to 23½ per cent. It is not likely that the Lebanese really want to take over Armitage; however, it would be sensible tactics for them to try to push BCI a bit higher, and a counter-bid might be a way of doing that. Armitage's share price pressed ahead to 95p last night, compared with BCI's terms worth 90p.

Meanwhile, Highland Distilleries has sent another letter to its shareholders, luxuriating in the fact that Hiram Walker's 130p cash offer attracted acceptances of only 0.1 per cent last week. Highland has up its sleeve further defensive ploys, notably figures for profits, and assets which it has not had to bring into the open so far because Hiram Walker's opening shot was pitched so low. Now the Canadians have to pay up or pull out, and clearly they will need to go quite a lot higher to ruffle Highland's feathers. So the share price was also moving expectantly upwards yesterday, reaching 146p.

Racal's approach to Decca, announced at the end of last week, has yet to reach the stage of a formal offer. But the principals were reported to be meeting last night, and there are hopes of a statement within the next day or so. Meanwhile the chairman of Thorn has taken the trouble to deny U.S. reports that the recently acquired EMI music business is up for sale or looking for business partners. Twentieth Century Fox, the rumoured bidder, had nothing to say on the subject yesterday. But it would certainly undermine Thorn's stated rationale for buying EMI if it promptly got rid of this particular side of the company. Other interests—leisure, for instance, would be a different matter.

Union Discount

It was no secret that Union Discount kept its head well down in the trenches last year while Alexanders (which reported a loss on Monday) and not a few others exposed themselves to damage. Even so, Union's results turn out to be impressive, with the disclosure of a profit of £2.08m after tax against £1.8m — each figure being struck after an unpublished transfer to inner reserve.

Although the spring was on the whole a favourable period and money could have been made briefly on gilt-edged in August, it would have been very easy to lose heavily in June and November when interest rates shot up. But Union maintained a very cautious posture throughout, both in terms of the length of its book and its size—current assets shrank from £1,326bn at the start of the year to around £700m at one time, but edged back to £1,233bn by the end of December as Union grew a little less nervous.

Now cautious optimism is the mood at Union, though the company is still suspicious of the current flurry in long gilts. It now has scope to expand its book, for although its capital base cannot have grown by very much in 1979 (the dividend absorbs almost the whole of the published profit) it has been operating well within its overall 30 times multiplier. Moreover, its three-year moving average base, which determines the size of its private sector business through a 20 times multiplier, has risen this year, allowing it to increase its holdings of commercial bills this month, whereas a good many other houses have had to shrink as the new base has come into operation.

For the moment the high cost of money and the unusually steep backwards sloping yield curve are making life tricky in the discount market. And the Union's yield of 7.6 per cent is fairly modest for the sector. But the shares should prove a good way to profit from a fall in interest rates later in the year.